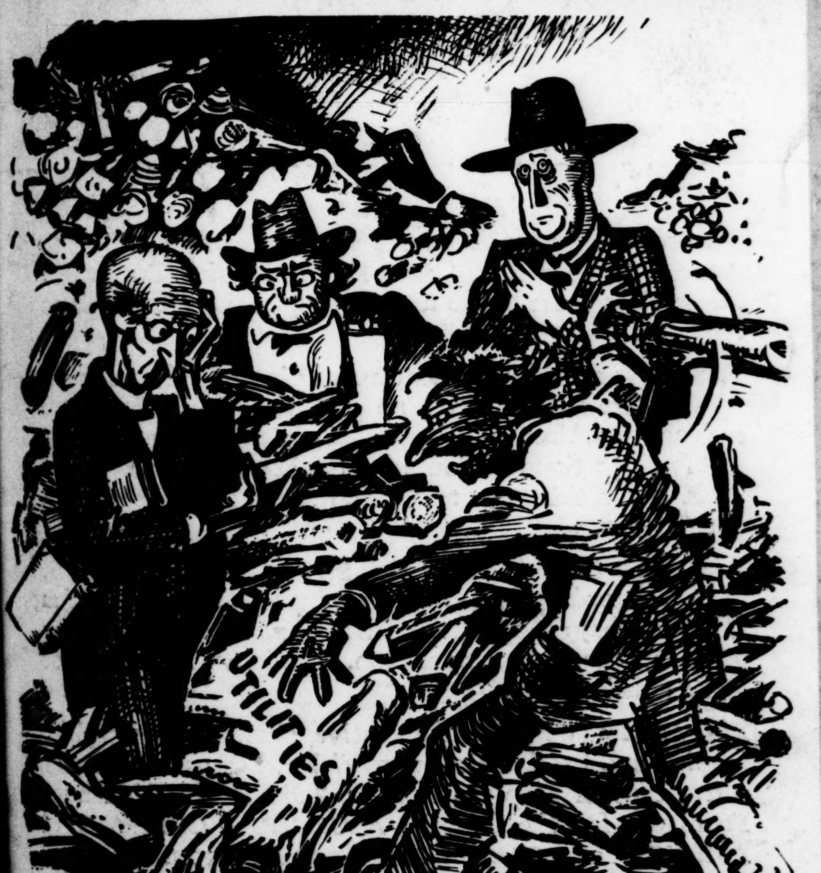
THE BUSINESS WEEK

A Journal of Business News and Interpretation

AR 17 1930



Is There A Nigger?

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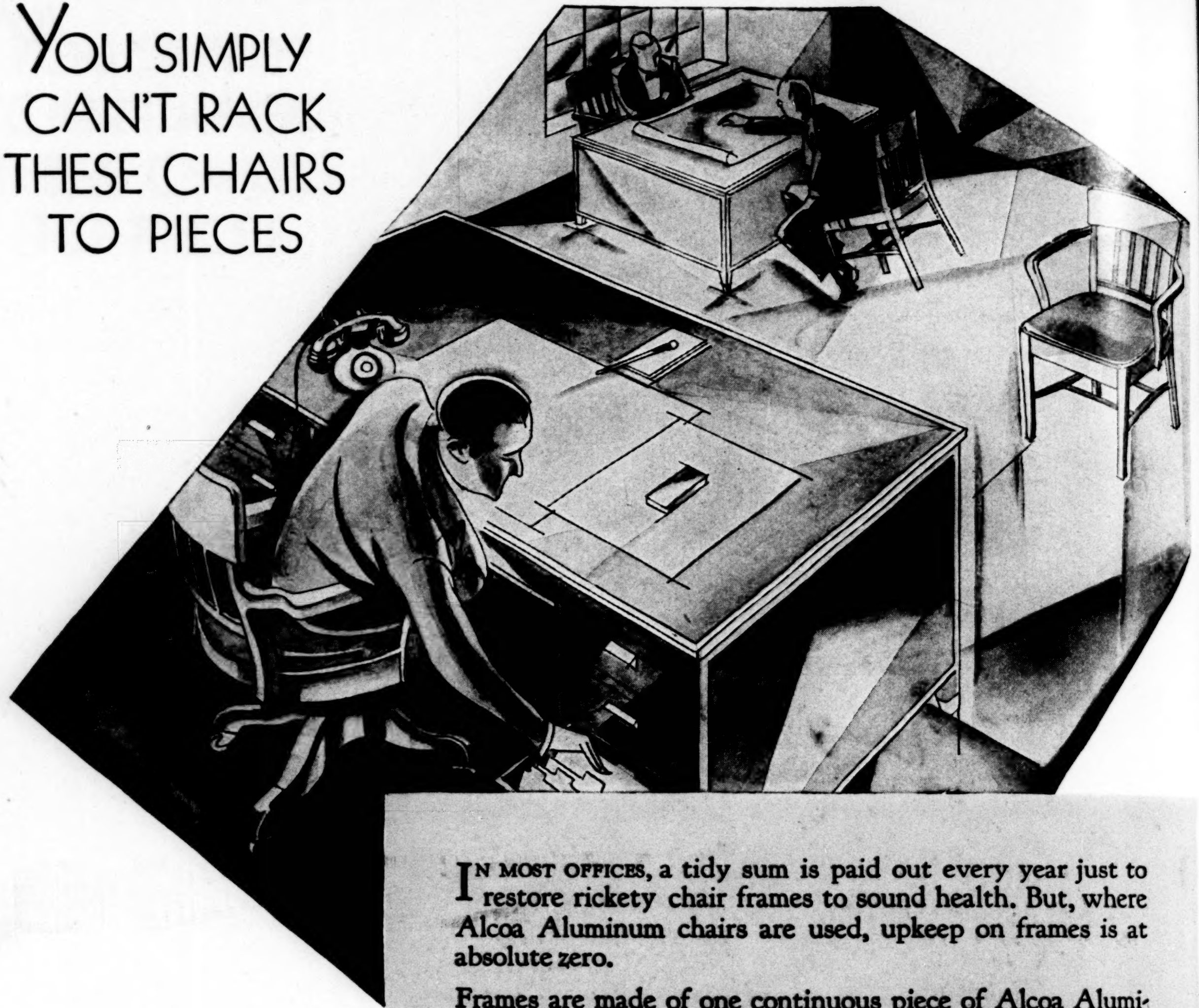
MARCH 19 1930

YOU SIMPLY CAN'T RACK THESE CHAIRS TO PIECES



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CHAIRS OF ALCOA ALUMINUM

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THE BUSINESS WEEK

A JOURNAL OF BUSINESS NEWS AND INTERPRETATION
NEWS OF THE WEEK ENDING MARCH 15, 1930

WHAT'S IN THIS ISSUE—AND WHY

Reports on the number of unemployed become more inconsistent, worse muddled. It is apparent, however, the situation is serious.

Congress should pass forthwith the bill setting up systematic machinery for gathering accurate unemployment statistics. Business sorely needs this tool.

The Van Sweringens are news, always. They bob up this week with working control of Missouri Pacific, which with Erie, C. & O., and Nickel Plate makes a huge rail system.

The brothers are buying railroads today because some Buffalo investors once couldn't sell Cleveland suburban lots. The story of their career, their personality, is fascinating.

Amoskeag pays a dividend! The news rocks the business world, for Amoskeag was supposed to be dying of old age, giantism, textilitis. How come? A man, as usual, and an iron will.

B. & O. guarantees 13,000 shop workers steady jobs throughout 1930; the workers promise economies, efficiency. The experiment in management-labor partnership is important to employers everywhere.

Much has been said of what we sell to Russia, nothing about what we buy from her—$40,749,000 worth last year.

Frisco and Rock Island, wed and divorced, may re-wed. Another step along the path the I. C. C. laid out for rail consolidation.

Abnormal unemployment starts Canada talking about insurance for the jobless.

In the face of such conditions, the Dominion is certain to cut off exports of liquor to the States at a cost of $40 millions a year. There's a test of neighborliness!

Decrepit motor cars are a peril on highways, a drag on new sales. Other makers have a plan to get rid of them. Ford, as usual, has his own and is trying it out first in the Detroit area.

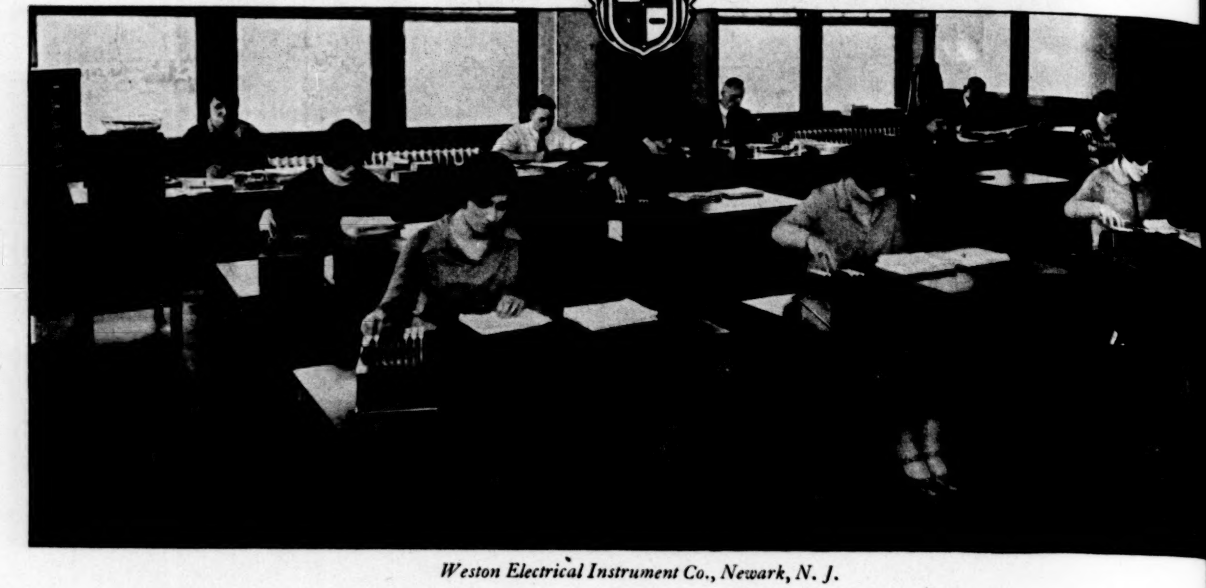
All-purpose tractors, the new Ford tractor from Ireland, a corn combine, are outstanding features of this year's farm equipment shows.

Investment trusts, badly jolted in the stocks crash, are revising policies, mostly in the direction of less secrecy, though all do not agree.

Wall Street's debacle laid a great hush on merger talk for a time. But the banks are at it again. Rumor this time links Equitable Trust and Chase National of New York to form the world's largest bank. And this sprouts a crop of other rumors.

Europe's tariff truce conference curiously parallels the disarmament conference; that is, it won't accomplish all it set out to do, but will have important results.

THE HIGH SPEED MACHINE FOR ALL FIGURE WORK



Weston Electrical Instrument Co., Newark, N. J.

Rest Your Decisions on Comptometer Data

JUST how many unfortunate business decisions result from lack of adequate statistical information, no one knows.

That they are all too numerous is freely admitted—notwithstanding that in every office the sources of such information are always accessible in routine figure records. The question is how to get the desired facts from them most economically.

Certainly management would command more statistical data covering analysis of sales, production costs, comparative experience tables and other informative figures with which to confirm decisions, *if the data could be supplied at less cost.*

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THE BUSINESS WEEK

March 19, 1930

How Many Are Jobless?

PUBLIC officials and statisticians continue to bite their nails and wrangle over the employment situation. The latest official statement issued by Washington last week—referring not merely to the state of business and unemployment, but especially to "the results obtained from the measures which have been in progress since the last of November, to reduce unemployment"—did so with some hopefulness and satisfaction. Unemployment amounting to distress was found in only 12 industrial states, which, by the way, is all there are. Unemployment in the remaining, mainly agricultural, states is only normal and seasonal or is being rapidly absorbed. Employment has been increasing since early in January. The weekly figures, based on samples, show a steady rise up to the week ending February 10, but a slight decline in the week ending February 17. The decrease in employment as compared with a year ago is estimated at perhaps 1,000,000 and certainly not more than 1,250,000. Although the total number of unemployed is unknown, the amount is fixed at considerably less than one-half and probably only one-third of that which resulted from the crashes of 1907-08 and 1920-22, the amount of which is likewise unknown.

Say *Construction Helps*

Anyway, it is said that nation-wide response to the request for increased construction and improvement work by public authorities, railroads, utilities and industries is having a most material effect. Construction contracts in these categories in January and February were said to be from 40% to 45% higher than ever known in those months. The agreements to maintain wages are also said to have been kept. Money is reported available at lower rates, leading to an increased volume of bond issues for public improvements. Mortgage money for home building and agriculture, however, is found to have lagged behind other forms of credit, but decreasing demands by policyholders for loans on insurance companies and action by the Federal Reserve System are expected to result in increased supplies of credit, especially for residential building, which has lagged.

On the basis of all the evidence it has the government forecasts that the worst effects of the crash upon employment will have been passed during the next 60 days.

Meanwhile, the irrepressible Miss Perkins, State Industrial Commissioner of New York, gives out the February report of the State Department of Labor, showing that employment in the state around the middle of February was about ½% lower than in January. This decline, though less severe than in the previous 3 months, was contrary to the usual seasonal gain of more than 1%, and brings the February level lower than for any other February since 1914.

The Business Outlook

THE early March business indicators show the usual instability and irregularity of March weather, with both a touch of last winter's lions and a glimpse of spring lambs. Basic industrial activity continues to slacken. Steel is down, somewhat sharply, for the third consecutive week, in contrast to last year's roaring upward swing, and the spring peak seems farther away. A belated chill of caution about consumer-demand has caught steel and automobiles. Coal production continues to slide, and even oil is running more slowly. The building trend, however, is definitely upward after some hesitancy in the middle of February.

Trade, too, has felt a touch of spring and begins to stir encouragingly. Non-bulk carloadings have further cut their deficit to about 2% below last year and have at last practically caught up with 1928. Money turnover outside stock-trading centers also is swinging somewhat nearer last year's levels. Commodity prices are still feeble, but their sinking spells are growing less frequent and acute.

The secondary weakness of business that developed in late February, foreshadowed by the downward drift of stock prices for the month, may run on some way into March, but there is some reason this week to hope it will not be prolonged.

These reports do not clarify the situation very much and February figures for the few other states collecting data are not yet available. However, the general evidence from reports of the ratio of applicants to jobs in employment exchanges and demands upon charitable agencies for unemployment aid indicate that employment conditions are not good. The American Federation of Labor reports further increases in unemployment among its members for February, the average for all trades rising from 20% in January to 22% in February. *Electrical World* figures of industrial consumption of electrical power during February, reported on another page, show a slight increase in industrial activity over January; but the pick-up tended to slacken toward the end of February and in March, so that there has probably not been much improvement in recent weeks.

Has Everybody Guessing

It is clear that business is greatly hampered by lack of any definite information about unemployment. If it knew at least what the normal unemployment is, it could guess fairly closely the effects of a business recession by adding to the normal unemployment the decline in employment shown by any of the statistics now available. As it is, one man's guess is as good as another's, so we feel free to venture our own. A careful survey of representative districts in Philadelphia in April, 1929, during a period of high business activity, showed that about 10% of the wage-earners in the families covered were unemployed. This ratio checks closely with similar surveys made in Philadelphia in March and April, 1915, in Columbus, Ohio in the years 1921 to 1925, and in Buffalo in November, 1929. In most of these studies about 7% or 8% of the wage-earners were unemployed because of inability to find work.

At Least 3 Million

If these conditions are taken as typical of those in representative urban communities, one may guess that the normal unemployment for all reasons, outside of agricultural districts, would average between 2 and 2½ millions. Adding to this the government's estimate of a decrease of between 1,000,000 and 1,250,000 in employment during the past year, you get a range from 3,000,000 to 3,750,000 as a rough estimate of current unemployment. This is considerably higher, even on a proportionate basis, than current figures in any other country.

Tariff Truce Conference Parallels Naval Parley

THE Geneva tariff truce conference, which some delegates describe as a conference for the limitation of economic armaments, is not making much concrete progress, but is fumbling its way toward certain ideas quite different from those it started with.

The naval conference won't achieve any reduction of navies, possibly may lead to a temporary limitation of new building, probably will accomplish its main purpose—a closer understanding and unity of policy between the United States and Britain, maybe a kind of unwritten compact between these and France to avoid arming against each other and to maintain peace.

This is like what is happening in Geneva. The original purpose of agreeing not to raise tariffs for a few years has been abandoned. France thinks such restriction of freedom of action might be too severe in view of the international business depression. She evidently still wants to be free to raise her tariffs against American automobiles, and other countries do, too. But, behind this, other ideas are emerging.

The most important is the idea, put forward by France and Belgium, to start work in this conference and carry it ahead in later ones, on a comprehensive plan of concerted economic action in the European countries to reorganize their economic relations so as to remedy the disadvantages resulting from the splitting up of Europe by the war.

This would be begun by a system of European tariff guarantees applying between all European countries—bilateral treaties like that now in existence between France and Belgium. These would first be "consolidated" for a period of years, and gradually made general in application to all European countries. They would unify customs categories, fix valuations of goods, eliminate double taxation and other forms of unequal treatment of foreign business, regulate dumping, export bounties, differential tariffs, and modify import and export prohibitions.

What Stocks Are Doing

THE BUSINESS WEEK's monthly test of stock market trends shows that of the 702 stocks traded in on the New York Exchange January 2, this year, 540, or 77%, were higher on March 1; 144, or 20.5%, were lower; and 18, or 2.5%, were unchanged.

Between February 1 and March 1, however, only 367, or 52.3%, rose; 301, or 42.9%, declined; and 34, or 4.8%, stood still.

Some of the delegates emphasize that such action must not in any way be exclusive or directed against the United States. There is a general feeling, however, that most-favored-nation clauses by which the United States would benefit should be eliminated from such treaties, unless countries, like the United States, who do not participate in the plan grant the same advantages as if they were a party to the agreement. This mobilization of opinion against the most-favored-nation clause in commercial treaties is the most significant development of the conference so far.

Europe's Farm Bloc

Another idea that has kept coming up in the conference is that of forming a kind of agricultural bloc in Europe comprising Poland, Hungary, Bulgaria, and Roumania—even if no more general agreement is reached. This project in an unofficial form has already been mentioned in THE BUSINESS WEEK, but the failure to carry it through by private negotiation has evidently made the countries involved bring it into this League of Nations conference as part of the governmental effort to achieve closer economic unity in Europe. Such a plan is more specifically directed against the United States, since it would carry to a logical conclusion the attempt now being made separately by all European countries, through tariffs and other restrictions, to keep the European market for its own agricultural products. The policies of the Farm Board and the Canadian wheat pool have given impetus to this movement.

Very slowly, amid the hesitation and difficulties and vague formulas of this conference, one can see Mr. Briand's cornerstone of the United States of Europe growing into a loose structure of economic cooperation.

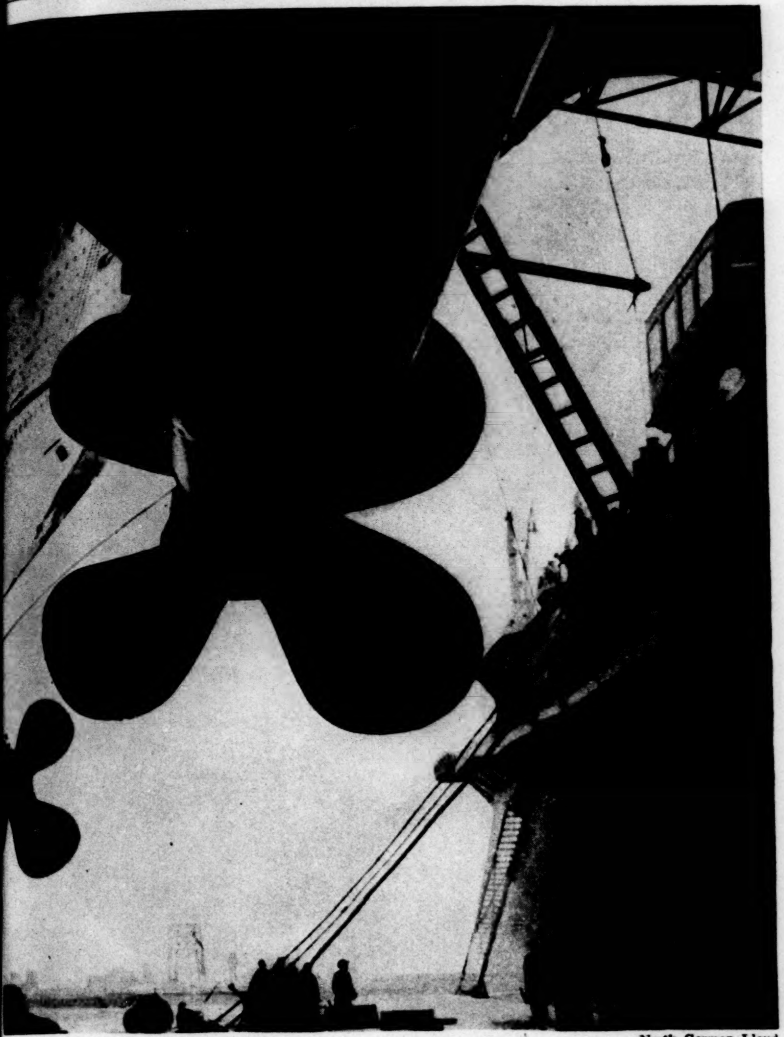
Great Britain is in the tariff conference, but like the United States hardly of it. She has her own problems, which are more bound up with her world-wide empire than with continental Europe alone. So there is more interest in Britain in the problem of imperial unity than in Mr. Briand's proposed United States of Europe.

The Europa

While British politicians dispute whether Empire free trade with a tariff wall all around is practicable, the British Chamber of Shipping and the Federation of British Industries are likewise evolving new ideas. They recognize that while high tariffs within the Empire restrict trade, every unit has the right to safeguard its own industrial interests. Within that right, however, they see mutual advantage in closer cooperation by which every part of the Empire will promote the prosperity of the whole.

An Empire Trade Conference

These two organizations recommend that the imperial machinery for computation on economic questions be taken out of the political field and improved. The imperial conference called for September should be made an imperial trade conference comprising the chief government officials concerned with trade and representatives of all sections of industry, commerce, shipping, and finance. This conference should explore possibilities of imperial trade cooperation. A permanent imperial bureau should be established to assist the conference and help carry out its findings. Meanwhile, existing preferences granted by Britain to



North German Lloyd

dominions should remain undisturbed.

These ideas are important because the Federation is the most representative body of industry in Great Britain. It has never tried to cut across political parties by action, but these recommendations may be followed by a more comprehensive statement of Federation policy and an effort to put pressure upon all political parties to support a Federation program. In this program there is no animus against any particular country, or especially against America; but it is probable that future imperial conferences in London will work toward a policy of American exclusion from Britain's home markets unless America comes in with the family.

If the United States could show Britain more favorable trading terms at this time than the British Dominions are willing or able to do, the idea of imperial unity might be shattered by an Anglo-American agreement. This is what far-sighted statesmen in London have in mind.

Farm Board Tries To Cut the Loss

THE Farm Board and the wheat and cotton markets are quieter, but prices are still feeble and recover weakly from recurrent fits of bearishness. The Board is not acting vigorously to boost wheat, and is doing nothing for cotton, because it wants to discourage large spring planting of both. It will probably not operate in cotton stabilization till the new crop comes, but it is using up its money to support wheat around present levels, and has called for $100,000,000 more of its half-billion appropriation from Congress, making $250,000,000 in the farm relief pot already. The Treasury, already worried about the effects of the stock market crash on tax receipts, begins to fear a deficit, regrets tax reduction and has to put out short term notes to meet Farm Board demands for cash.

There is no prospect of improvement in the wheat situation as yet. The latest reports on stocks here and in Canada show a carryover about as large as the big one last year, and in the United States about the same percentage—approximately a sixth—of the wheat as last year is still in farmers' hands. Exports would have to continue at a rate of about 9 million bushels a week from now to July 1 to reduce the carryover to the average of the last 5 years; but they are running at about a thirtieth of this rate.

Can't be Daunted

However, the Farm Board is going ahead with its policy of taking over as much of the surplus as possible and is ready to hold the entire carryover off the market, if necessary, until the new crop comes in. Because of the lack of storage space at terminals it is trying to encourage farmers to hold wheat on farms by loaning money on it at higher prices through its cooperative organizations. This gives farmers who will hold their wheat from ten to fifteen cents above current market prices and is stimulating a stampede into the official cooperatives. The general manager of the Farmers Union Terminal Association of St. Paul reports association has practically doubled in recent weeks.

What the farmers are now interested in is whether the Farm Board will carry them beyond the first of July. Those who have gotten Farm Board loans on wheat have had to sign notes which mature June 30. The chairman of the Board of Managers of the Farmers National Grain Marketing Corporation says that it is the intention of the Farm Board to liquidate the 1929 crop on June 30. The loans will then have to be paid up or the wheat turned over to the Farm Board or its organizations. If prices then are below the loan values the Board will have to take the loss. Mr. Legge also says that the Farm Board will not try to get rid of the present surplus by dumping it abroad at lower than prevailing prices.

Club on Acreage

In short, the Board is apparently going to try to confine its losses to last year's crop. Mr. Legge's statement also served notice on wheat farmers that they should not count on any stabilization operations on this year's crop unless they reduce the acreage of spring wheat by at least 10%. Whether he will be able to make good on that threat and whether the farmers will take it to heart remains to be seen. The winter wheat planting was larger than the year before, and there is little evidence in the Northwest of any disposition to cut down spring wheat acreage. The campaign to reduce cotton acreage which began some time ago has so far yielded no measurable results.

Steel ►

Irate Youngstown Tries To Stop A Wedding

As the smoke clears away from the opening battle between Bethlehem and Eaton for the control of the destinies of Youngstown Sheet and Tube Company, war correspondents in the field report that it looks as if the outcome will be settled by neither of the chief combatants but by a third party—or a fourth.

Youngstown, seething with excitement, is saying that last Wednesday's 6 to 3 vote of Sheet & Tube directors in favor of the merger with Bethlehem means nothing until it is ratified by stockholders who live in Youngstown. But when the stockholders meet on April 8, the struggle for the two-thirds vote needed to ratify may be close enough to place the decision in the hands of a complete outsider—the Sun Life Assurance Company of Canada, holding about 4% of Sheet & Tube's 1,200,000 shares. Sun Life consistently refuses to participate in management of companies in which it invests. This time, it may have to break its rule.

Whatever happens, local pride will play an important part in the final showdown. Youngstown residents' holdings in Sheet & Tube approximate 25% of the total issue, include 6 or 8 particularly imposing blocks of stock, some of them in the hands of trust estates. Eaton interests in Cleveland can bring up another 18 to 20% against Mather-Dalton holdings of 35 to 40%. And, today, they say that the majority of the Youngstown interests are ready to vote with Eaton against the merger. The local explanation is that Youngstown has been intensely proud of its independence in the steel industry, resents the attempt to deliver it to Bethlehem, is fed up on mergers and incensed by the threatened loss of local banking and legal business when, and if, Bethlehem takes the helm.

However, Youngstown will have to reckon first with James Anson Campbell, local power, chairman of Sheet & Tube who swung enough votes to carry the Bethlehem plan to victory in the directors' meeting. Because Campbell went over, Eaton left Cleveland and settled down in Youngstown quarters Friday for two weeks, to conduct the campaign for control of Sheet & Tube.

Some say that Campbell's move is only a deep-laid plan to force the Clevelander to pay through the nose for Sheet & Tube. Others see in Campbell's defection a desire to bring his brilliant career as an independent to a resounding end under the ægis of Bethlehem as h retires from the presidency to becom chairman of Sheet & Tube at the age o 75 and at a time when its earnings hav reached a rate higher than that of an other large steel property at the presen time.

If Eaton wants Sheet & Tube now later—and there is evidence that he do want it badly—he needs all the help ar goodwill he can get from Youngstow The Eaton directors, Harris Creech an S. Livingston Mather, vice-president o Cleveland Cliffs, stood with Eaton i the Board's vote on the merger. Bu he met powerful—and, for the moment, overwhelming—opposition in the stron Pickands, Mather group of Clevelan consisting of Samuel Mather, father S. Livingston Mather, and Harry G Dalton. Dalton and Eugene Grace, presi dent of Bethlehem, worked out the mer ger plan. Pickands-Mather have an ore contract with Bethlehem. The Mathers have been prominent in Sheet & Tube since they helped Campbell start the company in 1900. Through the Pickands-Mather connection, relations between the Youngstown plant and Bethlehem have been friendly for many a year.

A disturbing factor in the calculation of Youngstown stockholders who are determined to keep Sheet & Tube headquarters, business, and benefits in Youngstown is the recent shrinkage local holdings by public distributio made in the settlement of estates, particularly those which have cashed in their shares to provide for large local benefactions. Butler Art Gallery, Stambaugh Auditorium, Buechner Hospital, and a home for girls have all been built by gifts of Sheet & Tube stock. In one instance, a million dollars worth of stock was pushed out through the New York market to provide funds for charity. Patriotic and excited citizens are looking up records of stock still held in institutional endowment portfolios and trying to line it up on the right side.

No consolidation in the Middle West has caused anything like the civic excitement that the Sheet & Tube–Bethlehem proposal has. The Mahoning Valley produces 10% of America's steel and most of it is in the hands of Sheet & Tube. The company has been a tremendous asset to Youngstown, an object local pride, and a source of much wealth.

An early associate of Campbell wh died recently, borrowed $10,000 to bu 100 shares of the original Sheet & Tube stock. He carried his bank loan for 29 years and in that time he received in dividends $68,000. At his death, when his administrator paid back the bank loan, his stock was worth $163,240.

THE AMERICAN FEDERATION OF LABOR IS AN AGENT OF THE BOSSES!
ORGANIZE TO FIGHT UNEMPLOYMENT WAGE-CUTS
THE SOCIALIST PARTY IS PART OF THE BOSSES MACHINE!
DEMAND
AGENTS OF BOSSES!

"WORK—OR FIGHT!" Pacific & Atlantic

One of the numerous vociferous Red orators who harangued New York Communists in Union Square for hours in the unemployment demonstration on March 6. Thousands of curious spectators crowded the streets leading into the square. Orderliness generally prevailed until the Communists, flouting police restrictions, attempted to parade en masse to City Hall—an attempt which ended in a riot and landed the leaders in jail. (Communist aims are told on page 41)

Labor ► B. & O. Guarantees Work; Shopmen Promise Savings

An unusually significant step in industrial relations has just been taken by the Baltimore & Ohio Railroad which assures employment throughout 1930 for all its shop workers. In return for labor's promise to reduce overtime and increase efficiency of operation wherever possible, management has guaranteed employment to the 13,000 shop operators at the risk of over-running its normal shop budget by $2 millions.

Following the stock market crash last fall, conferences were begun between the B. & O. management and men, assisted by B. M. Jewell, president, and O. S. Beyer, consulting engineer, Railway Employees Department, American Federation of Labor.

The present cooperative program resulted from these conferences and is the first of its kind ever drawn up on any major railroad system; almost the first for any major industrial group of workers.

The plan calls for increased facilities including reinstatement of a passenger car repair force, adding two freight car repair units, and making additions in round house forces. Heavy repair shops will return to a 44-hour week. Daily absences of regular employees will be filled by men now on furlough in such a way that each man will have at least three days' work each week.

In a communication to its members, the Shop Craft System Federation gives great credit to Daniel Willard and the B. & O. management in general for the cooperative spirit which has put the plan through at the risk of over-running their budget should business not improve during 1930. The federation urges every employee to reduce overtime, to save material, to get business, and to consider the desirability of continuing the 44-hour week at least during summer months.

The plan will undergo considerable discussion at the federation convention in May. Prior to June 1 a conference will be held to determine if any changes are needed in the program as now proposed.

There is no doubt that the operation of this plan will be followed with unusual interest by other railroads as well as industrial concerns of all kinds. In attacking the matter of periodic lay-offs and furloughs, which are among the most troublesome evils confronting industry today, this modern experiment by a highly progressive labor-management group may have far-reaching effects on industrial management.

Export ► Japan Will Do Its Own Selling

SIGNIFICANT as indicating the growing industrial self-sufficiency of Japan is the news that Westinghouse has disposed of its merchandising outlet there to Mitsubishi Denki Kabushiki and has ceased to book new orders. At present, liquidation is being completed and old orders filled. Along with the merchandising company go the Westinghouse warehouse at Yokohama, a retail store, and 75% of the Westinghouse personnel. Operations will be continued by a newly-formed Mitsubishi subsidiary, Ryobei Denki Shokai, capitalized at $500,000.

Japanese demand for electrical equipment (except certain specialties) is now adequately supplied by the country's "big three" composed of Mitsubishi, the Shibaura Engineering Works, and the Hidatchi Engineering Works, with a number of smaller concerns. The specialties, new inventions, and very large equipment will continue to be imported. When more favorable exporting conditions are obtained, the Japanese "big three" are expected to compete with foreign manufacturers in the Asiatic market.

Finance ► Bonds Are In As Stocks Go Out

CORPORATIONS and governments still go to the market for money. They're still getting large amounts but not so much as they did before the crash, and they're getting it in different form. They're borrowing instead of, so to speak, selling themselves.

The bond has replaced the stock share in favor and efficacy. About $1,200 millions of new securities were issued in the first 2 months of this year. Almost $1,100 millions were bonds. Last year for the same period, $1,650 millions of securities were issued, with about half bonds and half stocks.

The bond market hasn't been impressively strong so far. The flock of new issues is one of the reasons. They are still coming. January brought out $737 millions in bonds. February's output dropped off to $350 millions.

All classes of bonds are sharing in the "revival." Foreigners are accounting for a huge total; railroads, states and municipalities are borrowing much more than they did at this time last year.

Pacific & Atlantic

WHO GOT THE SPIKE?

It's made of gold, and Ed Brown, veteran track foreman, drove it to mark the completion of the Pennsylvania's new 908-mile track between New York and Chicago. It cost $38,000,000 and required 581,833 tons of 135-pound rails, the heaviest ever used

Agriculture ►

Crowd Equipment Shows But May Cut Buying

POWER farm equipment was refined and developed rapidly during 1929. The development will continue this year but sales, a high authority predicts, may be off somewhat, due in part to current low prices of wheat and cotton. Much depends on export volume. Last year $140 millions of farm equipment were sold abroad.

This is the season of farm equipment shows. All over the country manufacturers and dealers are having their annual "open house" events. A crowd of 80,000 people attended the big Wichita exposition recently. This is the New York automobile show of the power farm equipment industry.

General-purpose tractors are the features of the year. Sales of International Harvester's Farmall, introduced about 5 years ago, have been mounting steadily. Deere & Co. now has its General-Purpose; Advance-Rumely, the Do-All. J. I. Case Co. is showing for the first time a Model CC; Oliver Farm Equipment Sales Co., a Row-Crop. At least two other large manufacturers are known to have general-purpose tractors under development.

A general-purpose tractor will do almost anything that a team of horses can do. Its advantage over ordinary tractors is that it can be used, not only to plow and plant, but also to cultivate row crops—corn, cotton, potatoes, sugar beets, etc. (Of 360 million acres planted annually, 160 million goes into row crops.) With such a machine, costing about $1,000, and a motor truck, a man on a 160-acre farm in the Middle West can get along without horses.

Some progress is being made toward development of a standardized power takeoff, the attachment by means of which the power of a tractor motor is transmitted to a binder, corn picker, sprayer, mower, or other such machine which it pulls. If power takeoffs are standardized, then any make of tractor will operate any make of machine. But not all manufacturers want this.

A Gleaner Corn Combine, exhibited for the first time, attracted much attention in Wichita. It is an attachment by means of which the regular Gleaner Combine, such as is used for wheat and other small grain crops, can be taken into a field of standing corn to cut, husk, shell and deliver the shelled corn to a bin at one operation. It must still be regarded as experimental, however. The fact that the big corn and wheat acreages are in different parts of the country tends to detract from the value of a corn attachment for a wheat machine.

The new Fordson tractor, made in Cork, imported duty-free, was on display at Wichita. After the Ford fashion, it had a separate show all by itself. It is somewhat bigger and stronger than the old Fordson, with a larger engine, larger air cleaner, Bosch high-tension magneto, and other improvements and refinements. Asked if Fordson would be much of a factor in the business this year an observer replied: "Ford usually is a factor in anything he goes in for." (He forgot fertilizers.) Fordson is not a general-purpose tractor.

In general, the trend of farm equipment manufacturing is toward multiple-row machines. Two, three and four-row planters and cultivators are replacing the one-row horse-drawn machines.

It is significant that the word "implement" is getting passé. It savors too much of hoes, rakes, pitchforks and other hand tools. "Power farm equipment" or just "farm equipment" are the approved terms now used among agriculturists.

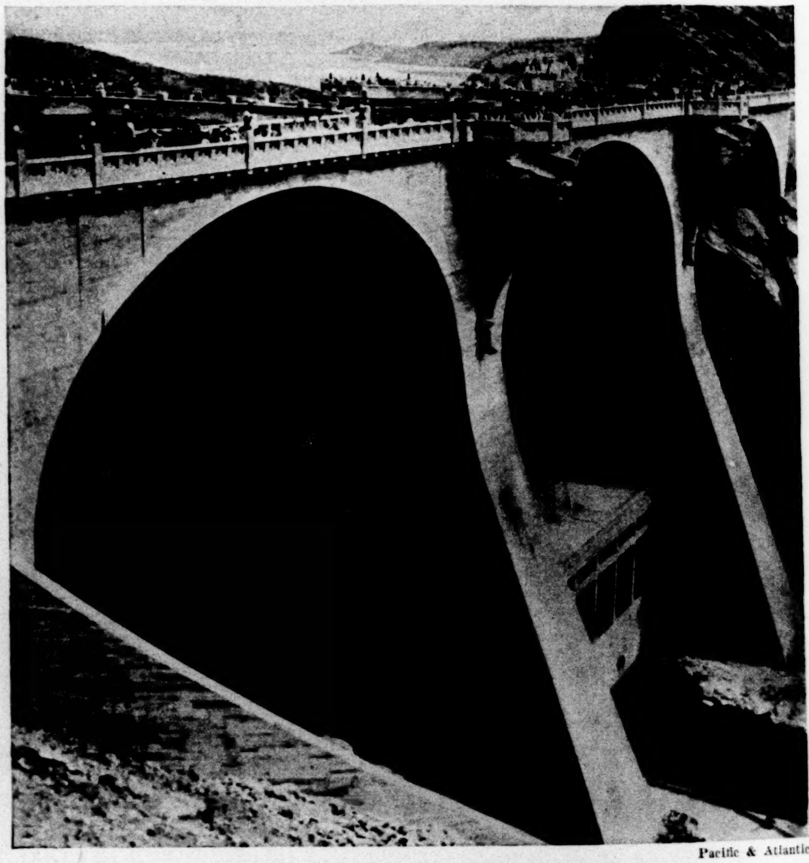
Real Estate ►

Mortgage Market Convalescing

IMPROVEMENT has taken place in the real estate mortgage money market in the last 2 or 3 months. A survey of 104 cities by the National Association of Real Estate Boards brings replies that there has been a definite recovery from the recent "tight" money condition. The majority of replies are "slightly easier."

"Is the real estate credit situation any easier in your community now than it was 2 or 3 months ago?" the Association asked. "Better," replied 63 correspondents, or 60%. "Same," said 33, or 31.7%. "Worse," groaned 8 unfortunate cities. Comparisons on a different basis are as follows:

The present situation is "good" in



Pacific & Atlantic

MONUMENT TO AN EX-PRESIDENT

To the religious life, the education, the home life, and the government of the people whom it will benefit—thus former President Coolidge dedicated the great dam in Arizona which bears his name. It is the only multiple dome dam in the world

Pacific & Atlantic

TRACTOR STUDENTS

The Soviet authorities in the cotton-growing areas of Russia have organized special classes to train tractor drivers. They first study the parts, then drive

only 49 cities, or 47% of all—less than half. "Fair," say men in 39 cities. "Bad," is the reply from 16 cities. The "turn for the better" comes largely from an increased supply of funds, and not from an easing in mortgage interest rates.

Most favorable conditions are reported in the north central and Pacific coast states. Everywhere there is market discrimination in the type of building. Almost uniformly, real estate men expect that conditions will continue to improve.

Personnel ► The High Marks Do Get the Big Jobs

"HIGH scholarship, substantial campus achievement, early graduation and immediate employment are significant favorable factors for success" of college students entering the employ of American Telephone and Telegraph Company. Under the direction of Donald Bridgman, the company for 5 years has been studying the development of selection standards for the employment of college men. The opinion cited above resulted from a recently completed study of 1,310 graduates 4 years or more out of college.

Scholarship appears to be the most significant single index of future success of college graduates.

Banking ► Nation's Biggest Banks Ride New Merger Wave

THE reign of comparative peace in the banking field appears ended so far as America's largest banks are concerned. The stock market crash last fall sharply ended the merger movement temporarily. But they're off again.

The financial community received a sensation this week as negotiations were opened for a merger of the Equitable Trust Co. and the Chase National Bank, both of New York. Both banks are in the billion dollar class, their combined resources totaling $2,728,000,000. A merger of the two would create the largest bank in the world by far, surpassing by $500 millions the National City's leadership. Chase alone stands third and Equitable fourth largest of United States banks. National City is first and Guaranty Trust second.

W. W. Aldrich, president of Equitable, and Albert H. Wiggin, chairman of the board of Chase, both refused to comment in any way after their meeting. Some announcement is expected soon. Shares rose sharply.

Other cities besides New York are deeply interested. Mr. Aldrich was a Rockefeller attorney before succeeding Chellis A. Austin as president of Equitable last fall. He represented the oil family in the fight against Col. Robert W. Stewart in Standard of Indiana. The Rockefellers are strong, if not predominant, in Equitable.

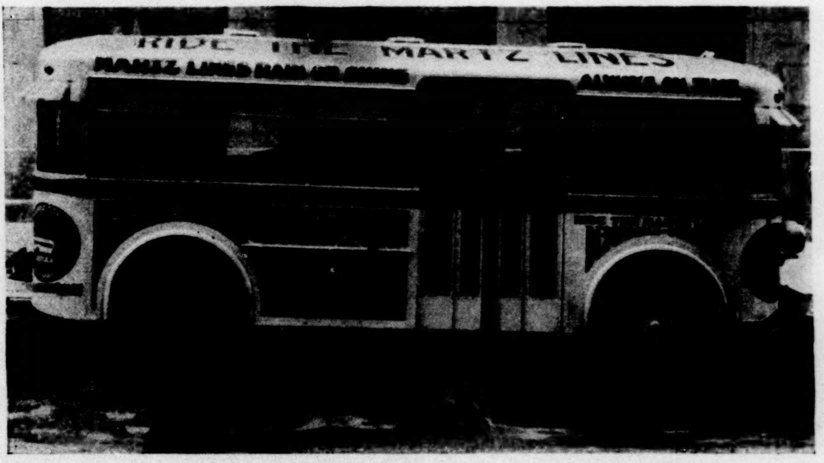
Likewise, they are strong in National City. The banking world has often predicted a merger between National City and Equitable. Then National City would retain its position of world leadership. From this comes gossip that a super-bank of $5 billion resources, combining the three, may be projected in the future. But that's only surmise now.

Both Equitable and Chase enhanced their position by mergers last year. Equitable took in Seaboard National, and Chase absorbed the National Park Bank. Now that these two are "talking turkey" the lid may be off in New York. Guaranty Trust, Irving Trust and others have risen to eminence through a hard struggle, and probably will not care to be dwarfed. And Corn Exchange, almost merged with National City last fall, is still in the merger picture.

The Manhattan Co., which has Bank of Manhattan and many affiliated companies, extended itself a little this week. Steps were taken to absorb the $18-million Central National into the $475-million Bank of Manhattan.

The Pacific Coast reports that A. P. Giannini's Transamerica Corporation, controlling financial institutions with resources of $2½ billions, is trying to buy another western insurance company. Elisha Walker, who recently succeeded Giannini as president of the holding company, has hinted at expansion several times recently.

These developments coming after the entrance of the $500-million Marine Midland bank chain into New York City last week have the banking community thoroughly stirred up.



AN ANSWER TO TRAFFIC CONGESTION?

Baby motor buses, resembling street cars, are making their appearance in several cities. They take up less street space than two standard taxicabs, carry 40 passengers (21 seated) and, because of a small wheelbase (140 inches) can "turn around on a dime"

Railroads ► Van Sweringens Reach Out Into Southwest

DEFINITE announcement of large Allegheny Corporation holdings in Missouri Pacific looks as if the Van Sweringens are moving in the direction of the most extensive water-rail connections of any one railroad ownership.

Missouri Pacific's headquarters and eastern terminal are at St. Louis, inland waterway center. Lines run to Memphis, Mississippi river port, and direct to five Gulf ports: New Orleans, Westwego, and Harvey, in Louisiana; Houston and Galveston, in Texas.

The Great Lakes are touched by Van Sweringen lines at Chicago, Detroit, Toledo, Cleveland, Erie, and Buffalo. The Atlantic Ocean is reached not only at the port of New York but also at other strategic points. Chesapeake & Ohio seeks foreign trade aggressively and is a big factor in it. Most of its tonnage moves through Newport News and Norfork, some over 200 miles of western Maryland tracks through Baltimore. Chesapeake & Ohio's terminal at Newport News is one of the world's largest.

Missouri Pacific is a railroad system of great strategic importance. It is the leading freight carrier in the Southwest, a rapidly advancing area. It is by a good margin the dominant carrier in and out of St. Louis. And St. Louis, because of its size, central location and strategic position on inland waterways, is a national freight center of great importance.

Figures for 1929 from the traffic department of the St. Louis Chamber of Commerce show that of 47.5 million tons of inbound rail freight, Missouri Pacific carried 11 millions. Illinois Central was second with 5, Frisco lines third with 3.3. Of 35.6 million tons outbound freight, Missouri Pacific was first with 6 millions. Illinois Central second with 3.7. Pennsylvania, with a single line to the East, carried 2.17 million tons.

One might jump to the conclusion that, were Van Sweringens to become influential in Missouri Pacific operations, they would route all traffic originating on Missouri Pacific east over the Nickel Plate rather than over the Pennsylvania, Big Four (New York Central) and Baltimore & Ohio, all of which share it now and have lines that, like the Nickel Plate, avoid Chicago. This would not be the case. Speed and service to shippers are controlling factors in securing freight these days. It is entirely possible that Missouri Pacific officials would be asked to favor the Nickel Plate, all other things being equal. More than this shippers do not permit.

Pacific & Atlanti

SEAL OF SUPREMACY?

When the new Europa, sister ship of the Bremen, makes her first entry into New York Harbor next week, bearing on her bow the colors of the Fatherland, the United States, the City of Bremen, and the North German Lloyd, all Germany expects her to bring an Atlantic record with her. Eight triple sets of turbines and four screws will drive her toward i

Pennsylvania handles much Missouri Pacific business, especially fresh fruits and vegetables from the South and Southwest. This traffic was not secured by financial tieups. Pennsylvania's produce tonnage has been growing because of service provided. The big new terminal in Jersey City has attracted increased traffic. Unless Van Sweringen roads compete with this service, stock ownership in the Missouri Pacific would influence shipments little.

It is entirely possible that directors of Allegheny Corporation rate Missouri Pacific securities as good long-pull buys for an investment trust simply because the system is in on the ground floor in the progressive and rapidly advancing Southwest, prepared to share in the future prosperity of a region whose future none denies will be great. Freight tonnages as yet non-existent are really the big consideration. The large development of dairy product shipments in the last few years is indication of how fast new traffic can develop.

Furthermore, in Missouri Pacific the

Underwood & Underwood

GOTHAM MERCHANT

Percy S. Straus, vice-president of R. H. Macy & Co., New York's biggest department store, is back at his desk after a trip to Europe. With Mrs. Straus he returned on the Berengaria

Van Sweringens have the great feeder of freight to Pennsylvania-controlled Wabash. Thus they place an obstacle in the way of a fifth trunk line plan by removing one of its best sources of business.

Missouri Pacific has good management. The Van Sweringens, should they acquire control, would not need to do the reorganizing that they did elsewhere. L. W. Baldwin, president of Missouri Pacific for the past few years, was formerly operating vice-president of Illinois Central, now his main competitor. Baldwin is an able railroad man, one of the five Markham-trained presidents now heading railroads. Under his skilled guidance Missouri Pacific has been advancing rapidly.

Missouri Pacific earnings in 1928 were almost up to Illinois Central's. Both not far from $30 millions. It is one of the nineteen systems slated to retain its identity under I. C. C. plans.

Automotive ► French Tariff Less Threatening

By Special Cable to The Business Week

A MORE conciliatory attitude toward American wishes is reported for the French Parliamentary committee considering automotive tariffs. Present prospects are that new schedules differ little from those now in force. Rates on complete cars are expected to remain unchanged, but will be based on actual sales price instead of imported cost as at present. This will raise the effective tariff from 45% to about 60%; it will restrict American car sales, but is more favorable than some earlier proposals.

Duties on automotive parts are expected to be maintained as at present with slight modifications. This would mean a real concession. Original proposals contemplated rates which would have effectively barred American products from the French market. French distributors of American cars have expressed their satisfaction with the present outlook.

Aviation ► Europe Cuts Rates To Tempt Tourists

EUROPE claims to be more air-conscious than America, but air lines abroad are a bit worried because the 1930 tourist crop does not look especially promising. Imperial Airways this week announced that the London-Paris air fare will be cut from $24 to $21; points out that fare via the popular Golden Arrow, with cabin on the Channel boats, is $35; that air time is two hours, that train-boat time is seven hours.

Automotive ► Ford Is Sifting Cash From the Junk Pile

IN the vicinity of Detroit, Ford is reported to be carrying on a car junking plan much more extensive than that proposed by the National Automobile Chamber of Commerce (THE BUSINESS WEEK, Jan. 15, 1930). In territory adjacent to the River Rouge plant he has offered to buy from his dealers as many "junkers" as they wish to sell him up to the number of new cars they accept from the factory. He pays $20 for each junker, less a small charge for transporting it from the dealer's establishment to the factory.

The long trailers used to deliver new cars to dealers, and which have, hitherto, returned to the factory empty, now come back loaded with incipient automobile accidents. At the plant, all possible items are salvaged and used over again; the remainder is melted down in Ford blast furnaces.

So far this activity has been confined to the Detroit district. Whether Ford plans to extend it is uncertain. While Ford assembly plants are spread throughout the country, only in Detroit has he the facilities to reduce junk to workable materials.

Some similar arrangement might be made in which dealers deliver junkers to assembly plants and assembly plants dismantle them and ship to Detroit. Possibly scrap from the junked cars might be sold to local buyers.

The experiment is interesting particularly for its adherence to the Ford principle of avoiding waste. The N.A.C.C. plan, with minor exceptions, concerned itself only with getting cars off the road; the economic loss involved was considered of minor consequence. Under the Ford plan, apparently, everything which can be used again will be. Plate glass, batteries, upholstery materials, hair stuffing and similar items will be saved and re-employed wherever possible. What is left over after salvage operations will be melted down and immediately used in construction of more automobiles.

Insurance ► New York Drops Car Damage Rates

RATES on property liability insurance for automobiles have been reduced in New York state. Policyholders making renewals find that the former premium will now give them as much as five times the former protection. Drivers with good records can increase their property liability coverage to $5,000 at the payment previously made for $1,000.

Car-owners in the state will be saved $1 million a year by this revision, according to some estimates, and the risk of financial loss by road accidents will be greatly reduced, since few such accidents result in damage to the extent of $5,000.

Pacific & Atlantic

THE NEWEST FORD INCUBATOR

The new $5,000,000 assembly plant at Long Beach, Calif., recently turned over to Henry Ford, will begin production on April 1, turning out an average of 375 cars daily. Two thousand men will be employed

Railroads ► Frisco and Rock Island May Join Roads Again

THREE weeks after the Northwest produced a railroad merger comes the possibility of a powerful amalgamation in the Southwest, with ramifications reaching from Minnesota to Texas, from Illinois to Colorado and New Mexico. A St. Louis-San Francisco (Frisco) and Rock Island combination seems probable from the statement this week of J. M. Kurn, president of the Frisco, that the two roads "are now engaged in working out a merger plan that will conform as much as possible" with that of the Interstate Commerce Commission.

The unification of these two lines possesses an element of the dramatic. It represents the re-wedding of a divorced couple, for, at the turn of the century, the two lines were closely affiliated through inter-stock holdings, with Chicago & Eastern Illinois then another party to the hookup. This time, there is no owned line to bring the road into Chicago from St. Louis.

Growth of the Southwest has been spectacular in recent years. Oil has spelled prosperity throughout Oklahoma and parts of Texas. The two railways in question have benefited accordingly. What formerly were streaks of rust running through the old Indian Territory to tank towns or cattle shipping points have been improved into high grade systems, capable of providing the service which the rapidly growing Southwest needs and demands. The two railways tie into one another in a comprehensive manner in the section which they jointly serve below Kansas City. North of that point, the Rock Island Lines spread out in a westerly and northerly direction, tapping the dairy and farm lands of the Corn Belt and the vanishing sheep and cattle-grazing lands to the west.

It is significant that this, the third move toward unification in recent months, follows closely upon the Interstate Commerce Commission's tentative merger plan. As in the Great Northern–Northern Pacific and the Baltimore & Ohio–Buffalo, Rochester & Pittsburgh–Buffalo & Susquehanna moves, the present step, although not yet actually approved by the commission, is wholly in line with its plan, from which it may be adduced that approval will follow.

Back in 1902, Frisco acquired control of C. & E. I. and a year later affiliated with Chicago, Rock Island & Pacific through Rock Island's acquisition of $29,000,000 of Frisco stock in exchange for Rock Island given in payment. Rock Island later sold its holdings, and Frisco subsequently followed suit, but in 1926 it returned to its former love by buying some $10,500,000 worth of Rock Island stock. It is believed this has been substantially increased.

Pacific & Atlantic

WILL ENTER HAVANA SERVICE

50,000 tourists make Cuba traffic profitable. New York's Ward Line will bid for next season's luxury trade with two new de luxe liners: "Morro Castle" launched Wednesday; "Oriente" to leave the ways May 1

Since this loosely-knit affiliation, both roads have progressed steadily. Rock Island's board of directors was strengthened. Its stock began a steady rise in anticipation of greater earnings and Frisco's similarly enhanced in value. Rock Island now pays a 7% dividend; Frisco, 8%. It was almost a case of "united we stand, divided we fall."

Unless other railways in their territory follow suit by merging, this unification will not substantially lessen competition, for with the exception of the almost paralleling lines in Oklahoma and parts of Texas the two roads supplement each other, by tapping diverse regions instead of jointly serving all the same points, as is the case of the two Northern lines.

Radio ► Canada May Set Up Broadcast Monopoly

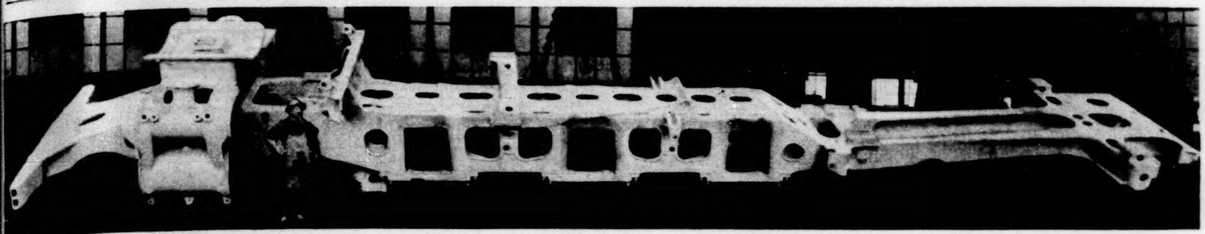
DURING the present session of the Canadian parliament, legislation will be submitted by the government to provide for the creation of a national monopoly of radio broadcasting in Canada. It is based on the recommendations of a commission which spent some months investigating the broadcasting systems of the United States, Great Britain and European countries and is in response to dissatisfaction on the part of the radio public of Canada with the service supplied by commercial interests.

The measure provides for the taking over by the state of all broadcasting plants in Canada. These plants would be scrapped and a system of high-power stations established across the Dominion. The national monopoly would be operated by a company controlled and subsidized by the federal government. The provincial governments would control the programs broadcast from the stations within their territories.

The capital cost of the proposed system is estimated at $3,225,000 and the annual expenditure for operation at $2,500,000. The commission proposes that the expenditure should be defrayed from the revenue from license fees on receiving sets, from the rental of broadcasting time for indirect advertising, and from a federal subsidy of $1,000,000.

Public dissatisfaction with the present situation is principally due to the fact that Canadian commercial stations cannot compete successfully with stations in the United States. The commission found that Canadians desired Canadian broadcasting. It was influenced by the idea that the continued reception of foreign programs would have a tendency to mould the minds of young people to ideals and opinions that are not Canadian.

Private interests operating broadcasting plants are conducting a campaign against the nationalization measure.



A LOCOMOTIVE CHASSIS AT ONE BITE

Only one steel foundry in the world can make them as big as this in a single casting. It's the one that General Steel Castings acquired early last year from the Commonwealth Steel Co. at Granite City, Ill. Add wheels and driving mechanism, put on boiler, firebox, cab and accessories, and you have the giant Baldwin shown at the foot of the page

Imports ►

Soviet Sales to U. S. $40,749,000 in Year

SOVIET-AMERICAN trade is not a one-way affair. True, the balance of trade favors the United States, and will for some time. But the Slav is edging into American markets, is finding a demand for specialties, is catering to Yankee peculiarities of taste.

Soviet export trade last year, despite a wretched wheat crop, gained 14% over 1928—reached a post-war record of $451,964,000. Significant is the 28% gain in industrial exports, compared with a 3% decrease in agricultural. Industrial development is beginning to show.

Our imports from Russia have jumped from $6,845,000 in 1924 to $40,749,000 in 1929. Europe admits that at least another $10,000,000 can be added for products that come through Germany.

The annual report of trade through Russia's Amtorg was published this week by Horace Liveright under the title, "Soviet Economic Progress."

The report shows the principal item of Soviet exports to the United States in 1929, as in preceding years, was furs —27% of all. More than half the total annual exports of furs from Russia, valued at $56 millions in 1929, find their way eventually to this country. Eitington-Schild Co. and the Bergdorf-Goodman Fur Co. are the two largest of a score of regular purchasers.

Emeralds and precious metals, including especially platinum and iridium, made up 11% of 1929 imports—$6,032,000 in 1928 compared with $11,179,000 for 1929. So large are the purchases of Heller Brothers, New York importing house, they have a special agreement with Moscow, deal direct.

Russian imports come to our kitchens in the form of sausage casings, canned fish and caviar, mushrooms, and bristle brushes. Casings last year made up nearly 9% of our imports, went largely to the Massachusetts Importing Casing Co. of Boston, to Independent Casing and Supply Co. of Chicago, to S. Oppenheimer & Co. of New York. All but a negligible fraction of Russia's licorice supply came to America, was sold out of New York by the MacAndrews & Forbes Co.

America is learning to like caviar. Imports of 5,000 pounds in 1919 increased last year to 746,000, aggregated more than $1 million for the Russian fish industry, reached the American market largely through four New York importers—Phoenix Packing, J. Weber, Inc., Heller Brothers, and Romanoff Caviar Co. The best grade Russian black caviar still brings $12 to $16 a pound. Small quantities of Alaskan red caviar have become popular of late through distribution in the ubiquitous five-and-ten-cent stores.

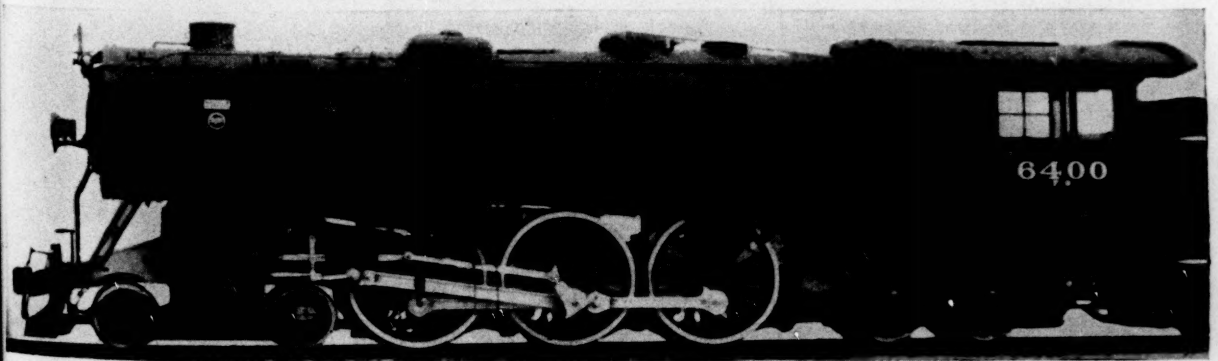
Imports of manganese for our steel industry jumped to $6,051,000 in 1929, from $3,483,000 in 1928. Only Holland bought more on the Russian market. Manganese is becoming the most important item of import. Moscow's Mangan Export is dealing direct with such firms as U. S. Steel and Bethlehem.

Coal is becoming important, last year's record jumping 125% over previous output. First shipments of Don basin coal reached northern United States ports last year, added half a million dollars to Russia's credit in this country.

Of Russia's most important export—lumber—we take less than 1%, distribute it from Providence, R. I., and from Poughkeepsie, N. Y.

Tangible evidence of Russia in the retail business came to frequenters of New York's Fifth Avenue late in February when a shop was opened to sell Russian handicraft, was almost immediately popular among blasé cosmopolites. Not directly managed by the Soviet's handicraft department of Amtorg, the store operates under special agreement; is the first of a series of similar shops to be opened soon in Chicago and Los Angeles.

Since March, 1929, when 125,000 curious visitors saw the Art and Handicraft Exposition of Soviet Russia in New York's Grand Central Palace, this ex-



hibit has traveled from Hartford to San Francisco, has been shown in 22 cities, will close this season in Portland, Oregon, on April 3. As a result of the exhibits, Russia's handicraft made up $75,000 of last year's imports, already surpasses that figure in less than three months of this year.

Macy's, New York, and Marshall Field, Chicago, now carry the popular Poltava rugs. Daniels & Fisher, Denver, Younker Brothers, Des Moines, and the J. W. Robinson Co., Los Angeles, feature needlework, pottery, carved wood novelties. The Eltex Corporation and the Sunrise Co. are jobbing Russian novelties and toys. Fillini & Cohn, and Featherman Bros., are jobbing linens. There is also a representation at the Bush Terminal.

Attempts of the Soviet to sell matches on the American market have failed in the face of keen competition from Kreuger-protected home industry.

In the field of manufactured products Russia is only a neophyte, still has not reached satisfactory low prices from mass production refined by long experience.

Labor ► Workers Repudiate Company Union

COMMENT on the recent Riverside & Dan River Cotton Mills wage cut (THE BUSINESS WEEK, Feb. 12, 1930) seems to have been too optimistic. Instead of approving the reduction, the employees have repudiated the company union which did approve it; have invited the American Federation of Labor to organize the mill workers; have scored the mill management for breaking its faith with President Hoover in view of industry's promise not to reduce wages during the present period of business uncertainty.

Theoretically, company unions—so-called industrial democracies—can be made successful. Some have been. Too frequently, however, retention of the veto power by management and the obvious economic pressure which may be brought against insurgents make the company union just another mouthpiece of management—one which rarely expresses the real views of the workers. Something of this nature seems to have happened in Danville, where subsequent action of employees disavows their alleged opinions as first made public.

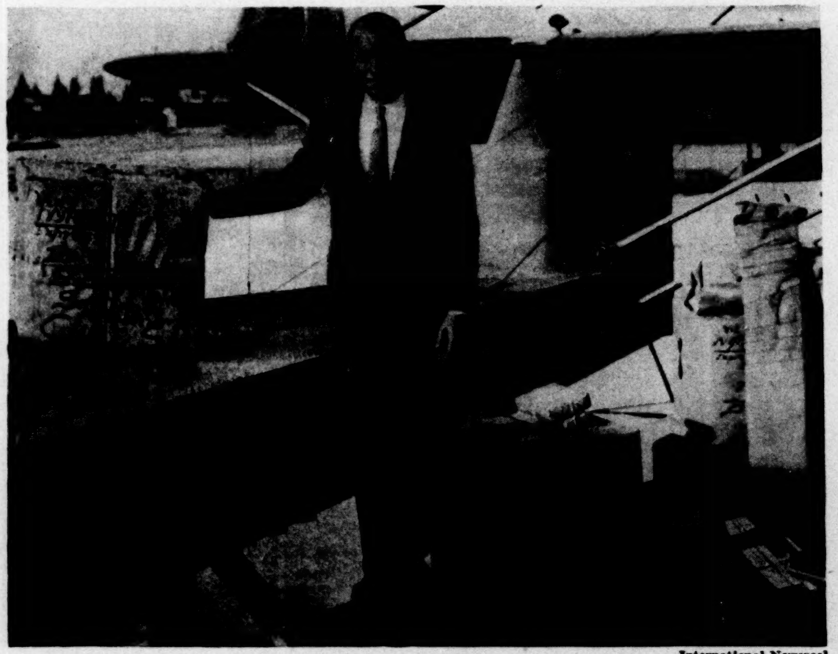
Labor ► Canada Debates Government Dole

THE question of unemployment insurance is getting into politics in Canada now in consequence of the abnormal volume of seasonal unemployment this winter. The government at Ottawa has declared in favor of an insurance system as the only practical method of dealing with the problem. Constitutionally, however, the matter is under the jurisdiction of the provinces. The federal government could get around the constitutional difficulty by making grants to the provinces toward the cost of unemployment insurance, as was done in the case of old age pensions. The present administration appears to be willing to take such a course.

International Newsreel

STEEL MERGER

But of families, not companies. Richard T. Buck, son of a vice president of the United States Steel Corporation, and his bride, formerly Miss Rosamond Marie Farrell, whose father is head of the Corporation



International Newsreel

NEW AERIAL POSTMAN

George Cobb, pilot of the New York-Buenos Aires Line, and the first shipment of airmail consigned to South America

It is unlikely that the unemployment insurance movement will make much headway for some time, as it is certain to meet with strenuous opposition in Quebec and other eastern provinces. Some observers fear the effect of the burden of unemployment insurance on competition with industry in the United States.

An argument advanced against the proposal is that in a country the size of Canada with a population of only 10 millions, unemployment insurance should not be necessary if the resources of the country were adequately developed. Apprehension is being voiced regarding the possible evil consequences of the creation of anything in the nature of the "dole."

Distribution ► Chain Sales Up; Departments Off

FEBRUARY sales of 48 large chains show a 7.86% increase over the record for February, 1929, according to the Merrill, Lynch & Company report. Department store sales for February fell 2% below those of the same month last year and dropped further below January totals than they have for the past three years.

A. H. Albers, president of Kroger

Grocery & Baking Co., announced that detailed reports from the chains show the effect of unemployment. The consumer, he says, is making more careful purchases. While tonnage sold is approximately the same as last year, items containing greatest food values are being selected

The increase in chain sales may be partly explained by increased numbers of stores. J. C. Penney Co., however, makes special note in its report that the same 1,115 stores which did business in February, 1929, yielded a greater profit, by almost 7½%, last month.

But Sears, Roebuck's February increase was only 3.2%, and Montgomery Ward & Co. reported a decrease of February sales 1.3% below those of February of last year.

Exports ► Foreign Trade Falls Off Abruptly

FOREIGN trade figures showed a 15% drop in January. February totals now being compiled by the Department of Commerce will be considerably worse. Exports this year will not take up slack in domestic business; will do well to reach a year's total comparable with former years. Dollar value shrinkage in raw materials naturally is due in considerable measure to the slump in commodity prices, but manufactured exports also have dropped sharply. Only a few specialties, like films, show a gain in sales abroad.

British figures for February issued Wednesday showed a drop of $30 millions in value of exports, $2 millions in value of imports. The drop in value of manufactured exports was $1,300,000. February, 1930, was the lowest with one exception since December, 1926.

Oil ► Standard, Warrior Abroad, Peace-Maker at Home

THE petroleum price war, if an almost constant state of price fluctuation can be called a war, changed fronts this week, became an international problem involving two old enemies—Standard of New York and Royal Dutch Shell, Britisher Deterding's pride. The battle front actually is Russia, but may be extended to India and the Far East.

In the present skirmish, Standard of New York is the aggressor, has agreed to purchase one million tons of refined petroleum products from the Soviet Naphtha Syndicate over a period of 5 years at a total cost of $25 millions. Cuts of $1 a barrel by both companies in the East Indies market are signs of approaching intensification of conflict. The war front almost surely will spread to India, and soon.

Conflict is blamed on two things: Soviet confiscation of foreign properties hit Royal Dutch heavily, is cause for continuing unsuccessful attempts at indemnification. Unwilling to give up, Royal Dutch refuses to deal with Russia, more than a year ago claims to have sworn Standard of New York to a similar agreement. Royal Dutch calls the Standard contract the "purchase of stolen oil."

All the Far East buys enormous quantities of kerosene. Competition is keen, leads to many changes of front. This week's skirmish may be only a preliminary to a long drive in the battle for Far Eastern markets.

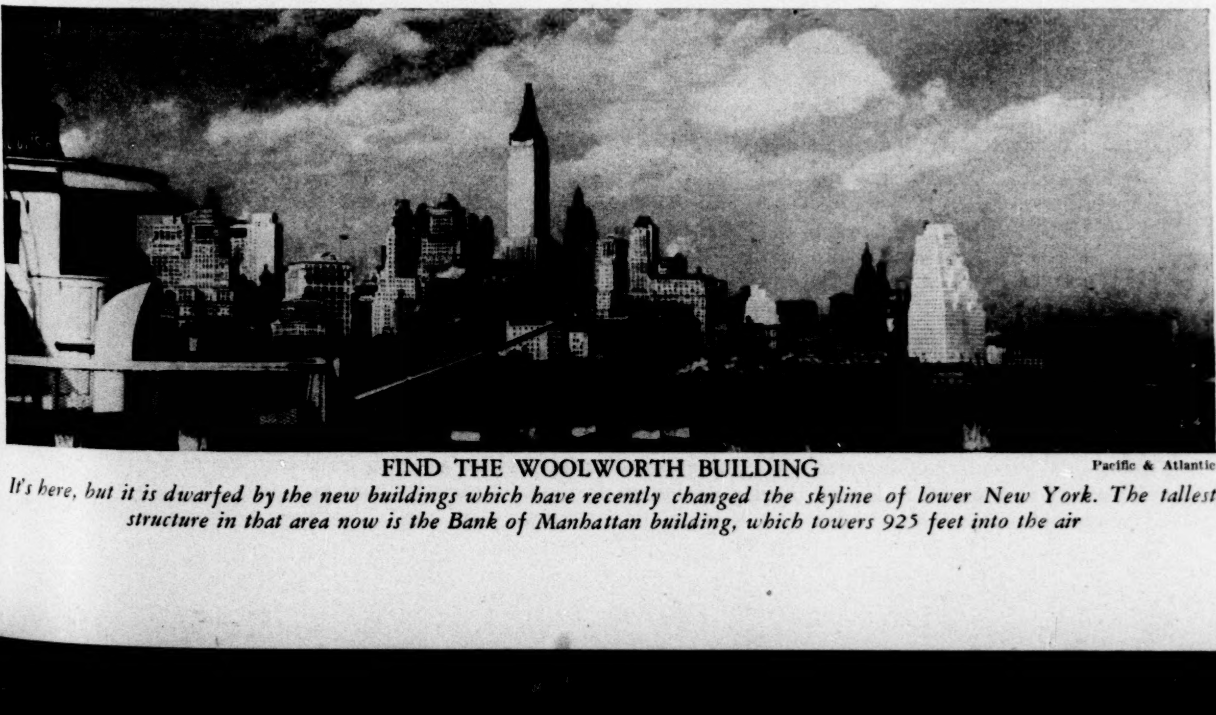
In the meantime, on the domestic front the situation is clearing. Last week's refinery curtailment is working in California where the Standard Oil Company of California Wednesday announced increases in crude oil prices made possible through conditions in the industry which, for the first time in years, have brought production of crude virtually in balance with demand. Other California companies are expected to fall in line soon.

Radio ► Pentode Tube Too Late for 1930 Sets

LARGE radio manufacturers will not use the pentode, 5-element, tube this year; 1930 production programs are too far along. Gathered to discuss the industry, manufacturers found themselves divided on the merits of the new tube. It is most valuable, apparently, in battery and direct current sets, now a small fraction of production.

H. B. Richmond, president of the Radio Manufacturers Association, thought the public ought to hear of improvements, but undue enthusiasm should be curbed so that buyers would not hold back in fear that new developments would make present sets obsolete. He felt also that the whole industry need not keep in lock step.

He did not mention the fact, however, that in advertising each manufacturer will certainly make much of a new gadget. Few can resist the temptation of calling it a "revolutionary invention." And then the fat is in the fire. The other sets immediately are under suspicion of being obsolete. The pressure, inevitably, is for the industry to keep in "lock step."



FIND THE WOOLWORTH BUILDING

Pacific & Atlantic

It's here, but it is dwarfed by the new buildings which have recently changed the skyline of lower New York. The tallest structure in that area now is the Bank of Manhattan building, which towers 925 feet into the air

What the Figures Show

▼

FIGURES OF THE WEEK

	Latest Week	Preceding Week	Year Ago
PRODUCTION			
Steel Mill Operation (% capacity)	76	79	94
Building Contracts (F. W. Dodge, daily average in thousands, four weeks basis)	$13,821	$13,211	$15,682
Bituminous Coal (daily average, 1,000 tons)	*1,367	‡1,613	1,884
Petroleum (daily average, 1,000 bbls.)	2,535	2,624	2,666
TRADE			
Car Loadings (daily average, all classes, 1,000 cars)	150	151	163
Check Payments (outside N. Y. City, millions)	$ 6,374	$ 4,967	$ 7,191
Wheat Receipts (1,000 bushels)	6,238	4,190	8,413
Cotton Receipts (1,000 bales)	134	157	168
Cattle Receipts (1,000 head)	*145	‡146	136
Hog Receipts (1,000 head)	*546	‡570	536
Wool Receipts (1,000 lbs.)	3,894	3,360	4,530
PRICES (Average for the Week)			
Wheat (No. 2, hard winter, Kansas City, bu.)	$ 1.06	$ 1.12	$ 1.17
Cotton (middling, New York, lb.)	$ .145	$ .152	$ .213
Iron and Steel (Composite, ton)	$34.94	$35.12	$36.37
Copper (electrolytic, lb.)	$ .178	$ .178	$ .180
All Commodities (Fisher's Index, 1926-100)	91.0	91.9	98.2
FINANCE			
Total Loans and Discounts, Federal Reserve member banks (millions)	$16,547	$16,428	$16,425
Commercial Loans, Federal Reserve member banks (millions)	$ 8,811	$ 8,786	$ 8,852
Brokers' Loans, New York Federal Reserve member banks (millions)	$ 3,720	$ 3,583	$ 5,627
Federal Reserve System Ratio	80.8	79.8	70.7
Stocks Sold (N. Y. Stock Exchange, 1,000 shares)	19,480	16,297	23,001
Stock Prices (N. Y. Times, average 50 stocks)	$226.16	$222.15	$243.09
Bonds Sold (N. Y. Stock Exchange, par value, thousands)	$54,070	$47,557	$47,928
Bond Prices (Dow, Jones, average 40 bonds)	$ 94.25	$ 94.01	$ 95.20
Interest Rates—Call Loans (daily average)	4.0%	4.4%	8.8%
Interest Rates—Time Loans (daily average)	4½-4¾%	4½-4¾%	7¾%
Business Failures (Dun, number)	527	526	490

***Preliminary**
‡Revised

THE latest week's indicators show increasing irregularity in the business trend. Basic industrial activity tends to slacken further, excepting building, and commodity price weakness continues, but the general trade indicators are slightly more encouraging.

Steel mill operation has declined for the third consecutive week, and at a somewhat sharper rate. The average rate of steel ingot production for the industry is around 76% as compared with about 79% a week ago and 94% last year. The Steel Corporation's activity, after being steady for about three weeks at 85%, has dropped to 82%. Independents are now averaging approximately 70% as compared with 73% a week ago. At this time last year steel activity was rapidly increasing to a spring peak. Wide differences in activity geographically continue, and the smaller plants, reflecting automobile demand, show more clearly the results of increasing restraint in automobile production growing out of revised estimates of consumer demand. Railroad demand continues fair, but structural steel is running along at a relatively low level.

BUILDING construction on the whole continues its upward trend. The daily average of general building contract awards, on the four-week basis, is the highest of this year to date, although the latest week's totals show a sharp decline from the unusually high level of the preceding week. Heavy construction awards, according to *Engineering News-Record* figures, are also at a high rate for the year measured on a four-week daily average basis, and the latest weekly figure is the highest of the year to date. The Dodge figures to date this year, however, are still running about 18% behind last year, and heavy construction awards 45%.

Coal production has been declining steadily since the beginning of the year and is now lowest since the spring of 1928. Petroleum also is lowest since December, 1928 and the daily rate is over 400,000 barrels below the peak of September, 1929.

WHEAT receipts at primary markets are at the highest for the year to date, but cotton marketings are nearing the low point for the season.

Commodity prices continue to show marked weakness. Copper is the only one that is standing up against poor market conditions, despite a February report of largest stocks in eight years. The wheat average fell six cents for the week and is near the dollar level again, and lowest since last summer. The cotton average also was down sharply. Both are subject to selling pressure from day to day and recover rather feebly. The iron and steel composite is again down, 18 cents for the week, reflecting the lack of strength in the steel situation. Fisher's all-commodity index showed another sharp drop to a new low for the past two years. The National Fertilizer Association index is also down, with the

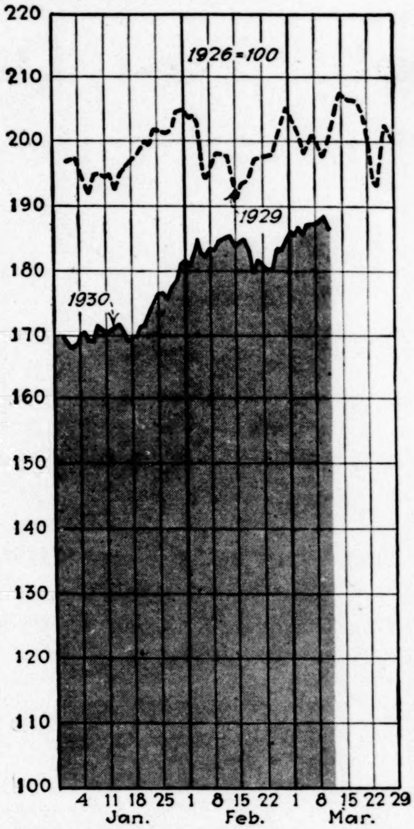
sharpest decline during the past three weeks in the history of the index.

In contrast to the weakness of commodity prices, the general trade indicators seem to be slightly stronger. Total carloadings show a somewhat smaller deficit below last year than in the preceding week. Non-bulk carloadings have cut their deficit against 1929 to about 2% and have practically recovered the 1928 level for the first time this year. Check payments in 131 cities are only about 9% below 1929 for the latest week, a somewhat larger deficit than in the two preceding weeks of February, but less than the extreme downward swings in other weeks so far this year.

It is striking that check payments in 131 cities for February as a whole were only 7% below 1929 and almost the same as in 1928. The decline from January to February, moreover, was only the same as last year and not much above the average.

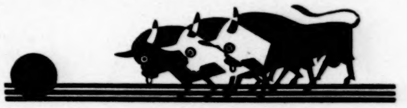
Commercial loans of reporting member banks have at last begun their seasonal upturn.

The number of business failures continues at a relatively high level.



THE MARKET DAY BY DAY

(Standard Statistics Company's Daily Stock Price Index)



Money and the Market

STOCKS moved higher this week, then wavered. Industrials and utilities reached the highest levels since the crash, but rails were unable to advance. The market hesitates between unfavorable business news and the stimulation provided by easier money rates.

Margin interest increased sharply. Brokers' loans rose $137,000,000, largest weekly gain since last fall. Total now is $3,720,000,000. This follows a jump of $94,000,000 reported last week. The volume of trading also increased this week. Wednesday's transactions of more than 4,000,000 shares was largest since December 21. On the same day, the market was the broadest it has been this year, 821 issues being traded in.

The market future just now is uncertain. Stock prices have outrun business and industry, or prospects thereof in the near future. Easier money, however, is tempting to speculators. Equally important, it provides a needed stimulus to business.

Money rates eased again this week. Commercial paper was easier, with a greater volume moving at 4¼%. Bankers' acceptances were reduced ⅛% to 3⅜@3¼%.

The bond market continued the steady advance which has marked March operations and averages rose to 94.94, highest since early 1928. Flotations were large this week, and most of the week's issues, such as Pennsylvania Railroad and Alleghany, were subscribed almost immediately. The Treasury Department's offering of $450,000,000 certificates was twice over-subscribed.

Commercial loans of reporting member banks took a slight upward turn this week for the first time. Seasonally, this upturn should have come a month ago. Member bank credit outstanding increased more sharply, but much of the growth came in security loans. Member banks continued to reduce their indebtedness to the Federal Reserve.

Gold imports totaled more than $1,000,000, coming from Japan and Latin America. An additional $13,000,000 of gold was released from earmark here by foreign nations.

The Reserve statement showed that discounts have decreased to $266,338,000 from $308,616,000 last week; bill holdings were down to $256,338,000 from $271,202,000, and government security holdings rose to $514,113,000 from $486,145,000.

The Federal Reserve Takes The Plunge to 3½%

THE Federal Reserve system came to the aid of business this week. It took the long-needed aggressive action. The New York bank reduced its discount rate to 3½%, again lowered its buying rate for bankers' acceptances and added to its holdings of government securities. The move will bring down the rates of those banks now at 4½% and probably will induce other Reserve institutions to fall in line at 3½%.

Action follows that of other central banks last week, and was foreshadowed both by what they did and by the trend of the domestic money market. Reductions by the Bank of England, the Reichsbank and the Bank of Italy, as well as in many of the smaller nations, preceded our own move to bring the rate down.

What the Reserve system has done to ease money and make funds more plentiful will be a distinct help in the present troubled business situation, though, of course, not a cure. Business can and does take advantage of easy money, as shown in 1924 and 1927. The stock market will be stimulated a little, but it has for weeks had the advantage of low rates.

The bond market also will be encouraged. This week the average price of leading bonds rose to the highest point since early 1928 on the basis of such easing as has already taken place. The fresh stimulus will mean a further increase. Long-term money, provided by bonds, is needed. Flotation already has become easier.

The hesitancy of the system to act in lowering rates was based on its memory of the unfortunate overspeculation started by a 3½% Reserve bank rate in 1927. But the lower rate did help business then and it will do so now. Now, as always, good judgment is needed in the use to which easier money is put.

Easing will prevent a flow of unwanted gold here from abroad, such as has appeared possible in recent weeks. Foreign exchanges may not firm up immediately, but are quite unlikely to reach the gold point.

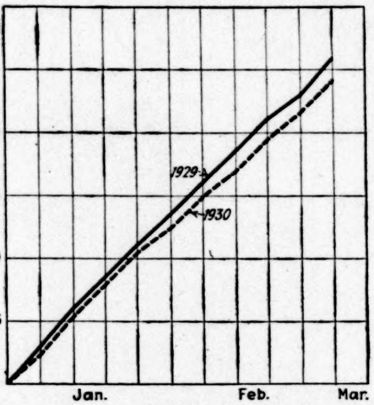
A Spotty First Quarter

THE wheels of industry turned a little faster in February as measured by consumption of electric power in 3,800 manufacturing plants reporting to the *Electrical World*. The increase was slight, 1.4%, less than normal at this season. All sections, except New England, and seven of thirteen industrial groups reported an increase. Automobiles, parts and accessories were up 17.0%; paper and pulp, 14.2%; rubber, 28.4%; metal working, 3%; lumber, 8.2%; chemicals, 2.1%; and shipbuilding, 0.8%. Leather was down 6.3%; textiles, 8.1%; stone, clay and glass, 6.0%; and food products 2.3%. Rolling mills and steel plants showed no change.

Sectionally, the Western states showed the largest increase, 13.4%; Southern, 7.6%; North Central, 6.9% and Middle Atlantic, 0.2%. New England fell off 6%.

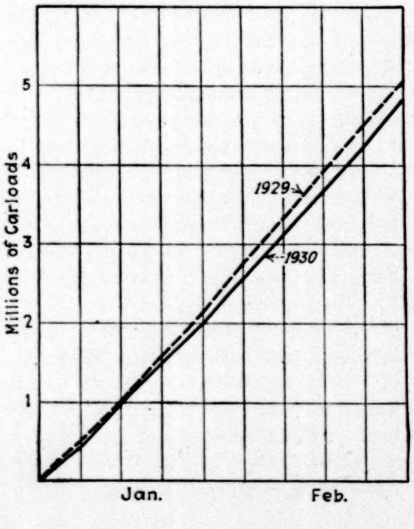
Compared with last February general manufacturing activity was off 12%. Only four industrial groups showed increases on the year—paper and pulp, 9.8%; rubber, 19.8%; chemicals, 0.6%; food, 1.3%; shipbuilding, 31.4%. Rolling mills and steel plants were lower by 12.4%; metal working plants, 15.1%; leather, 15.3%; textiles, 22.3%; lumber, 12%; automobiles, 27.8%; and stone, clay and glass, 21.5%.

THE February steel records are fairly satisfactory for the month as a whole. Ingot production was about 86% of capacity and at a rate about 15% above January, and the highest since last September. This figure compares with a rate of 92% for February last year. Steel activity, however, tended to decline toward the end of the month, and the unfilled orders of the Steel Corporation as of the month-end showed only a slight increase of about 11,000 tons, one of the lowest net changes on record. Still, this leaves the amount on the Corporation's books largest since the end of February, 1926.



CHECK PAYMENTS—131 CITIES
(Cumulative)

MERCHANDISE CAR LOADINGS
(Cumulative)



FEBRUARY automobile output in the United States and Canada was 358,300, a good showing compared with the 283,477 in January and 336,300 in February, 1928, but far below the February, 1929 figure of 497,705.

This increase was probably an optimistic reaction to the January registration figures, which for 38 states showed an increase of 30% over December and were only 17% below January, 1929.

THE February building construction figures were on the whole not so encouraging. The F. W. Dodge figures for total building contract awards were 2.1% below January and 12.2% below last February. Residential construction increased 12% and non-residential 7.7%, but the former was 42.3% below last year and the latter 10.2% below. In contrast to these changes, public works and public utilities contracts fell 23.4% in February but were 49% higher than last year. The *Engineering News-Record* figures for total heavy construction awards, which are not exactly comparable with Dodge figures, showed a decline of 18.2% for the month and 46.4% for the year. On the whole commercial building seems to have shown the largest increase for the month.

The S. W. Straus building permit figures for February show a decline of 2% from January as against a usual seasonal increase of over 7%.

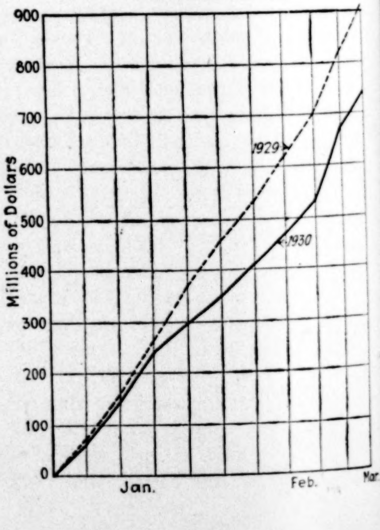
A CHART on this page based on the weekly general construction figures of Dodge shows that progress so far this year in narrowing the deficit as compared with last year has been irregular, and not very encouraging in recent weeks.

Similar charts comparing non-bulk carloadings and money turnover outside of stock trading centers this year and last also show that general trade has made relatively little headway reducing the deficit as compared with last year. It must be noted, however, that this period a year ago was one of unusually rapid increase in general trade.

OTHER monthly figures showing general trade conditions for February likewise show a tendency to lag. Chain store sales were incorrectly reported in last week's issue, on the basis of the few figures then available, to have been uniformly behind last year. Most of the chains since reporting have shown an increase, but it has been generally slight.

Department store sales for February were 2% below a year ago. Increases were shown only in the Boston, Richmond, Minneapolis, Kansas City, and Dallas districts.

BUILDING CONTRACTS AWARDED
F. W. Dodge Corp. (Cumulative)



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Louisville, Ky.
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Miami, Fla.
Milwaukee, Wis.
Minneapolis, Minn.
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New Orleans, La.
Oakland, Cal.
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Portland, Ore.
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INVESTMENT SECURITIES

THE NATIONAL CITY COMPANY
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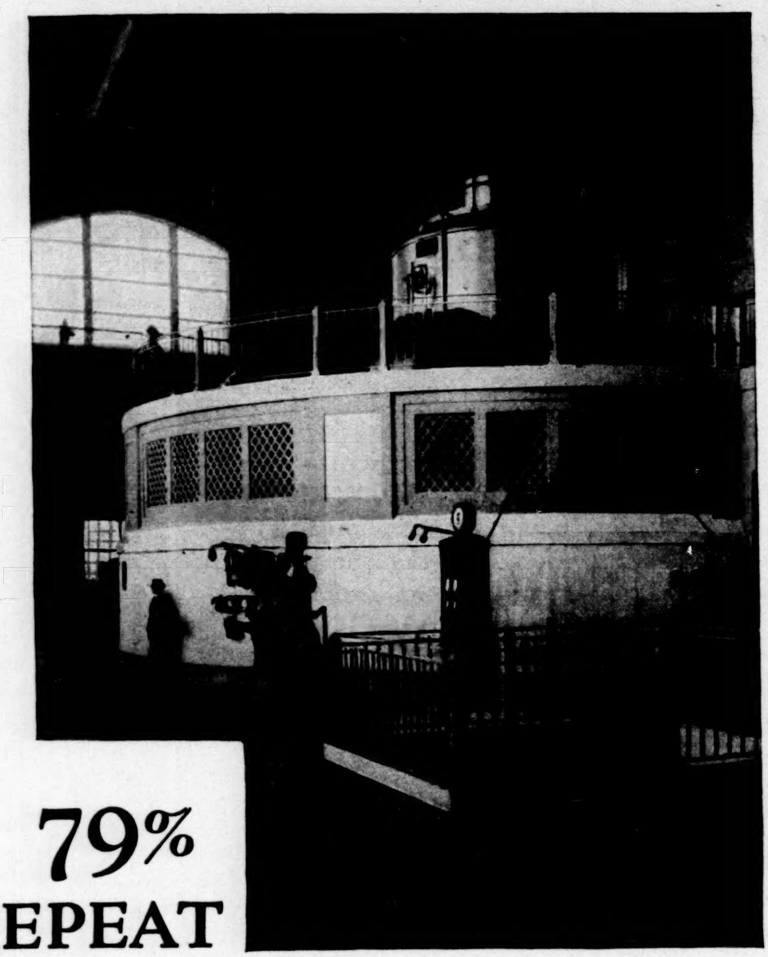

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Sweden Speeds Up Export Drive

RECENT world trade figures substantiate Sweden's claim to a place of increasing importance in world markets, both as an exporter and an importer. With one-seventeenth the area of the United States and one-twenty-fourth the population, Sweden last year transacted total foreign trade one-tenth as large as that of the United States.

Of even greater significance today is the fact that Sweden is almost without unemployment. With Britain's problem increasing, with German unemployed passing 3,000,000, with the problem in the United States growing, importance attaches to the fact that foreign trade bulks large in both Sweden and Switzerland, each with almost no unemployment problem, and each strikingly organized for world export trade.

The backbone of Sweden's success in the export field is the 43-year old General Export Association of Sweden. It corresponds to our American Manufacturers Export Association plus the functions of the Bureau of Foreign and Domestic Commerce. Too, it corresponds to the Federation of British Industries in England and the Reichsverband der Deutschen Industrie in Germany, inasmuch as it represents the manufacturing interests. Yet its structure, finance, and methods are totally different. It is one of those typically Swedish institutions which the State helps to finance, but whose management is left entirely to private initiative—a combination of all the prestige that comes from State participation and endorsement, with all the efficiency and enterprise that result from private control. Nominally, it is an association of nearly 1,000 Swedish firms. Many of these subscribe only 50 kroner a year ($13.50), while the rest, including all the foreign members, pay more than 100 kroner (about $27). Members are charged certain nominal fees for credit reports in special cases. There is a State subsidy of about $11 thousand a year.

A staff of 50 experts in the central office in Stockholm operates departments for information, credit, debt-collecting, publications, Russian affairs, Far Eastern business.

Secret of success is organization abroad of thousands of correspondents—Swedes by preference, but not necessarily so—who receive no actual pay but to whom reciprocal information brings handsome business profits.

Grim New England Thrift Pulls Amoskeag Out of the Red

Ruthless economies, improved marketing, bring a dividend to the century-old giant of the textile industry—and one man did it

NEW ENGLAND'S textile industry, depressed by years of reverses, gloomy from the advance of Southern competition, has been heartened by an unexpected ray of sunlight. Amoskeag Manufacturing Company, once ready to liquidate, announces a dividend of $1 on stock and a 5% bonus for employees from 1929 earnings! As if a corpse had leaped!

The Amoskeag mills at Manchester, N. H., are the largest of their kind in the world. For more than 100 years they have stood beside the falls of the Merrimac River, drawing its power for looms and spindles. Difficulties common to the industry were aggravated in this case by giantism and old age. If Amoskeag can come back, there is hope for others.

The feat was achieved quickly. In 1928 the company showed a deficit of $1,723,395. For 1929, earnings were over $1,500,000, when you add to dividends and employees' bonus the interest on company bonds. The entire textile world is asking by what magic this was done.

It wasn't magic. Amoskeag's return to fruitfulness is a result of courage and economy. This economy was applied grimly to management as well as labor. While the man in overalls was asked to do more work for less money, holders of soft jobs with fat salaries were mercilessly divorced from the pay roll. In cutting items of plant costs not a useless penny was spared. These Spartan measures were accepted philosophically. Liquidation was the only alternative.

Frederick Christopher Dumaine, treasurer of the company, accomplished the feat. It is the peak achievement of a past-master in old fashioned New England economy. A person elusive and uncommunicative is F. C. Dumaine. His office in State Street looks out on the hind-quarters of King George's unicorn who still paws at the gables of the old State House. A secretary confessed cautiously that Mr. Dumaine was out of town. In a burst of confidence she added,

"And if he were in, he would be *terribly* busy!"

Pictures of the Amoskeag treasurer are scarce. He does not indulge in high-flown rhetoric at booster meetings. The New England Council had to get along without him. All his energies are concentrated on Amoskeag and on the Waltham Watch Company of which he is president and treasurer. His comment on Amoskeag will be made public at the annual meeting next month—and not till then.

His is no gaunt Puritan type. Mr. Dumaine is short, stocky, the possessor of a steadfast eye. A broad jaw is concealed by the roundness of his face. He was born in 1866 and as a boy worked in textile mills. The name appears first on the Amoskeag board of directors in 1904. He lives in Concord, Mass., "where once the embattled farmers stood." "Who's Who" does not list him as a member of any club.

International

MR. DUMAINE

Elusive, uncommunicative, a past-master in old-fashioned New England economy

In 1909 Mr. Dumaine assumed control of the sale of Amoskeag's products, which until that time had been handled through selling agents. Since the concern was reorganized in 1927 he has been given full authority to pull it out of the hole. Early in 1929 the outlook was so black that there was a powerful sentiment for liquidation. The treasurer shut his teeth and declared that he intended to carry on. His statements at that time show to what a desperate condition the company had come. Here is how it stood at the end of '28:

"In order to pay city taxes of $780,000, to meet interest on bonds and notes, to expend $337,000 for new machinery, and to settle current expenses including payrolls, it was necessary to dip into the quick capital to the extent of $960,000."

After touching on what Southern mills had done to those of New England the treasurer showed specifically what had happened to Amoskeag. In 1912 the company produced at Manchester 223 million yards of cloth; in 1928 it produced 100 million. In 1920 gross sales totaled $56 millions; 1928 gross was $28 millions. Looking these tragic figures in the eye, Mr. Dumaine had the courage to declare:

"Liquidation—the last thing those of us with a personal regard for this city and the property want—means the most terrible sacrifice of money values imaginable . . . I am ready to do all possible, institute every economy, shoulder every responsibility and stand every criticism, to carry on."

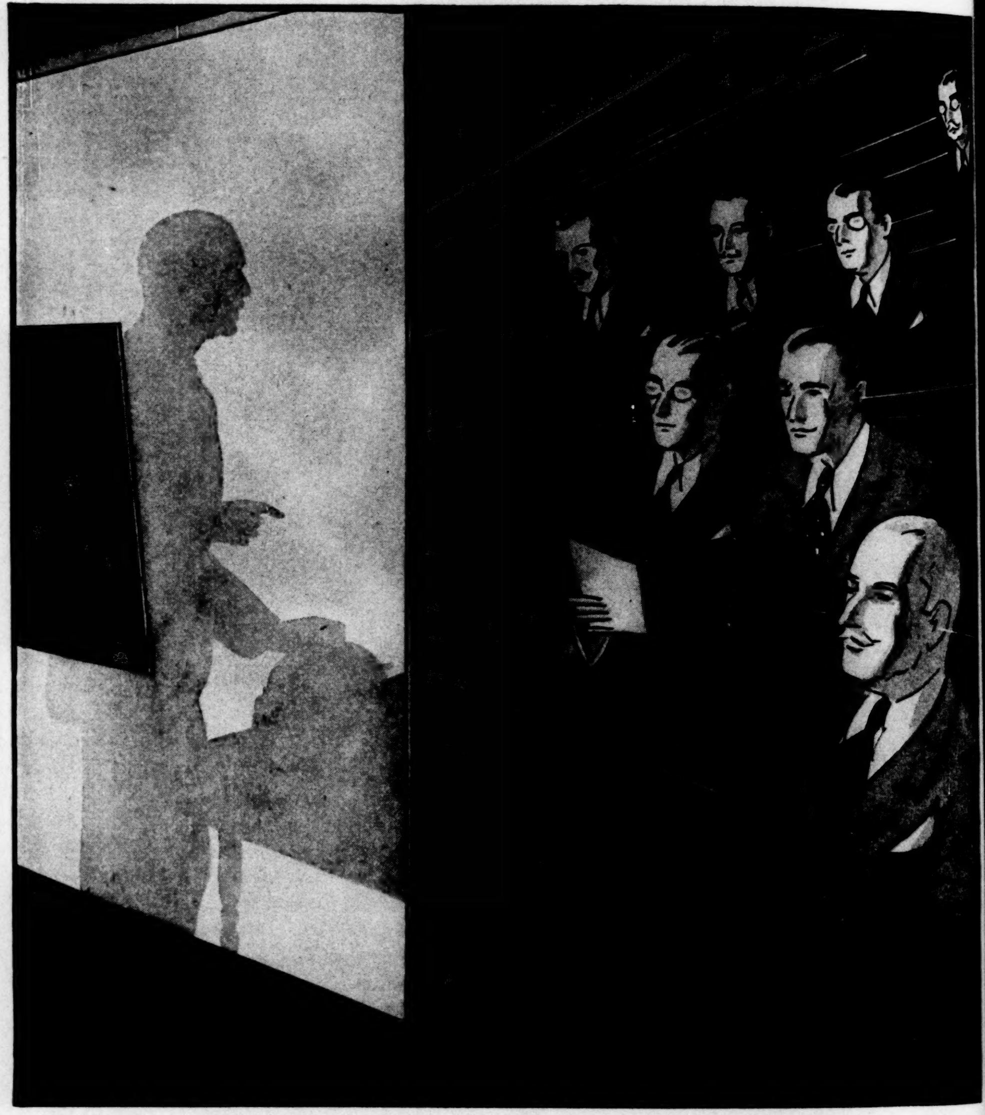
The parlous conditions facing the company were largely due to Southern competition and general sogginess of textiles, but not entirely. We are told that dinosaurs perished because they were too huge and unwieldy. There is a danger in being too big. Also antiquity tends toward inflexibility—and ours is a swiftly changing age. Amoskeag, the giant patriarch, suffered both ways.

In the days of its might, an exporter who suggested changes that would help sell goods in the South American market was told that Amoskeag goods were made in a certain way. Customers could buy them or not. Women, bewitched by styles they saw on movie heroines and in magazines, turned from ginghams. Amoskeag did not.

Back in the period when a New York selling agent handled the mill's output little attention was paid to the New England market. A woman in Manchester says she can remember when Amoskeag ginghams could not be bought in the town. Later they were handled by one merchant, a friend of an Amoskeag executive.

The company engaged in all sorts of

TALKING PICTURES



A few of many Industrial Uses

Recording speeches of executives and showing these at branch offices.

Making a life-like record of conventions and other important company events.

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Showing the public what is back of your business, how your product is made, tested, distributed, used.

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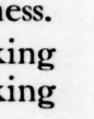

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Send booklet on the Talking Picture in industry. Also list of offices where I can see and hear a demonstration.

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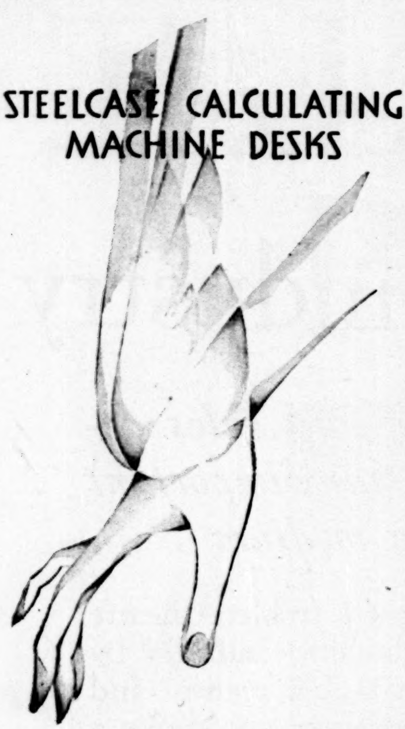
STEELCASE CALCULATING MACHINE DESKS



hasten flying fingers

Speed with ease! This is the demand of the hour where figures count and fingers falter. And the Steelcase Calculating Machine Desk meets this demand thoroughly.

The Steelcase Calculating Machine Desk—the latest of a long line of fine steel office equipment—was designed and built for one purpose only—to make the calculating machine and its operator a more efficient unit. Many of America's most prominent business concerns have adopted it.

The desk is small and compact—it saves valuable office space; it is attractive in appearance and practical in design; it makes fast calculating work easier and speeds the flying fingers of the most efficient operator.

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Your operators will endorse the Steelcase Calculating Machine Desk because it will increase their output and decrease their efforts. $45.00

(Pacific Coast Points $48.50)

STEELCASE ... FOUND WHERE BUSINESS SUCCEEDS

industries from time to time. It dealt in land and water sites. During the Civil War, when cotton was hard to get, Amoskeag made Yankee rifles. Earlier in its history it manufactured locomotives and fire engines. At one time it owned a saw mill and a grist mill. Machine equipment was made in its own shops. Books and catalogues bear the imprint of the company's printing plant and bindery.

Here were a few of the problems facing the man who had to resuscitate this huge organization. They were met by modernizing the output and by ruthless economies. Styles of goods were made attractive and brought into line with woman's demands. A rayon plant was established. A powerful selling organization was created to push the market for these fabrics—in near-by New England as in other territories.

Through the many years of its growth Amoskeag had developed into a sort of feudal community under a benevolent dynasty. The Straw family had been powers in its management for three generations. Throughout the mills they had a strong following in superintendents and minor bosses. One of the most radical of the economy moves was the outcasting of the entire Straw bloc. They were unseated from high places as well as low.

WHEN it came to cutting wastes in the plant, Mr. Dumaine was aided by an able lieutenant. He is Henry Rauch, a young man steeped in the Dumaine technique. In Manchester they say that Rauch would say to a superintendent, "Cut your department to the bone." The super would go what he thought to be the limit. Along Rauch would come and cut that just one-half.

About the time of the reorganization employees agreed through their company union to a 5% reduction in wages. It was shown that this was necessary for the plant to continue operation. The management agreed to restore the cut when and if the concern showed a profit and this is the reason for the 5% bonuses recently voted. However, only those who have been employed for the full year of 1929 share in it.

Employees agreed to the wage cut and to the increase in work as their contribution to continued operation. Number of workers dropped from a peak of 17,000 to about 8,000. While carrying this extra burden workers have watched a merciless stoppage of unproductive expenses. Many of them are ingenious and amazing.

Formerly raw wool was kept in Boston where storage had to be paid. Amoskeag established its own bonded warehouse in Manchester where its wool was kept without extra cost. Much of the company trucking is between different units of the huge plant. Some 60 trucks did this hauling. Formerly all of them had state and city license tags. There is only one place where Amoskeag trucks cross a public street going between units.

Why buy license tags for trucks that never go out of the mill yard? They don't any more. Three of the trucks have state and city tags and these only can cross the public thoroughfare. The rest of the fleet stays within the plant fence and pays no unnecessary license fee.

Office boys were furnished bicycles with which to take messages from one mill to another. They accepted a slash in pay with other employees. One day a certain red headed Mercury asked for a new tire for the company bike he rode. The demand attracted attention and resulted in action. It was ordered that in the future boys hired for messengers must furnish their own bicycles.

Other economies effected were the sale of real estate and the renting of unused buildings. It is estimated that all these measures have resulted in a slash of a million and a half in the company's overhead.

Employees were becoming restive. It is hoped that the 1929 bonus will preserve friendly relations. There has been no real trouble since the disastrous strike of 1922. In February of that year the company announced the situation was so critical that a cut of 20% would be made in wages, and hours increased from 48 a week to 54. The United Textile Workers, affiliated with the American Federation of Labor, immediately voted a strike. It lasted nearly a year, wrecked the union at that mill, almost ruined the company. Other direct results was the election of a Democrat, Fred Brown, as governor of New Hampshire, and an abortive attempt to get a 48-hour law through the legislature.

The company stuck to its demand for a 54-hour week and reduced the wage cut from 20% to 10%. Since then the employees have been represented by a company union. Attempts are now being made by the United Textile Workers to organize employees again.

FACTORS in favor of Amoskeag's continuance are rock-bottom costs, modernized fabrics, general promise of more goods for women's dresses because of longer skirts. Factors against, are the lower costs of Southern manufacture, overproduction everywhere, old equipment that Amoskeag has been unable to replace. (It has its own feeler in the

South, operating a mill in Arkansas.) Also there is a possibility of recurring labor troubles.

One promise of continued friendly relations lies in the personality of F. C. Dumaine, Jr., who is being coached to take up his father's work. The younger Dumaine has sanely liberal views, is popular with the workers, will even talk if one backs him in a corner.

There was a time when the liquidation of Amoskeag would have meant grass in Manchester's streets. The name and the mills are as old as the town. Amoskeag is a corruption of an Indian word meaning "high place for fish." The 54-foot falls were once a favorite with the savages. Here they could spear and hook salmon as they struggled up the falls under that mysterious urge which forces them to seek for spawning the waters where they hatched. The dam at this point blocked the fish and killed the sport.

Manchester is now a city of 85,000. The mellowed red brick of the Amoskeag walls border the troubled Merrimac for almost its whole course through the town. If the mills were ever forced to close and throw out of work their 8,000 employees the result would be serious to Manchester but not fatal. It is an important center for shoes, manufacturing such brands as Beacon, Craft, Lady Stout and Thom McAn. A famous cigar "7-20-4" is made here. The Chamber of Commerce lists 167 manufacturing industries.

▼

The High Cost Of Small Orders

THE office expense of recording, billing, granting credit and collecting is approximately the same for any order regardless of the amount of the sale. Figured proportionately it becomes five times as great for the small order as for a larger one. The office expense account should not be covered up as a part of some general overhead percentage; it should be charged against each sale, not as a percentage of the sale value, but on the basis of the number of items in the sale regardless of size.

These are the main conclusions reached by Dr. Leverett S. Lyons of the Brookings Institute, Washington, after a study of hand-to-mouth-buying. The inquiry involved 115 manufacturing establishments, which reported that 95% of increased marketing costs arising from small-order buying involved office expense.

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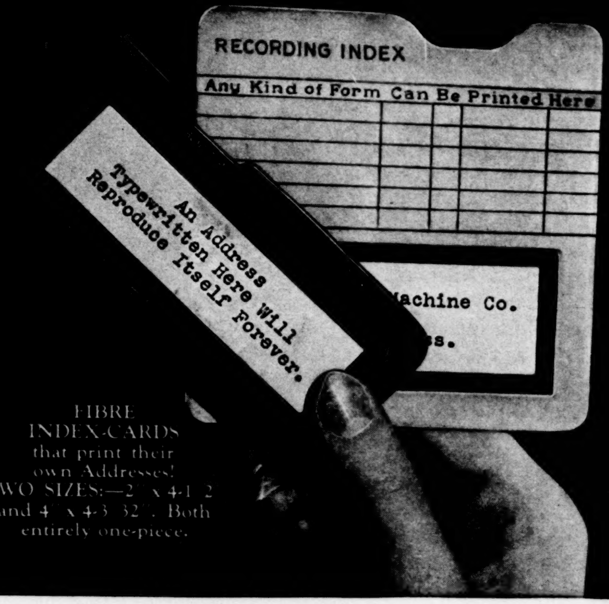
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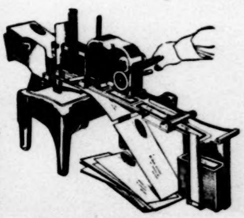

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Investment Trusts Open Portfolios To End Buyers' Strike

DAY by day the public is getting more information as to what happened to the $3 billions it entrusted to some 400 investments trusts during the recent boom. Portfolios are being published in newspapers, one after another. Publicity has been forced by a buyers' strike. As a Chicago banker remarked a few days ago, "The day of the blind pool is over"—for a while, at least.

How much to tell, and how much house-cleaning to do before they tell it, are questions investment trust managers are facing. Some are giving newspapers full lists of their securities, stating amounts of each. Some name securities, but omit amounts. Others do neither, but publish percentages of total funds invested in various types of securities and groups of industries.

The best British practice, based on 40 years' experience, favors the last policy. To publish names of securities hampers operations and gives to the world at large, without recompense, the main asset that any good investment management has to offer: expert judgment.

The investment list of the trusts is as broad as the world's security range. Many trusts, of course, limit themselves exclusively to certain industries. Thus there are several holding only insurance company shares, several with bank stocks only, some with rails, three or four with airplane stocks alone, one which invests only in basic commodities—to mention a few classes. The investments of certain others are "fixed," or unchanging, and still other "semi-fixed."

But the majority are "management" or "trading" trusts, in which investments are made at the judgment of executives. These show stock holdings of the widest possible range. Predominance is given to stocks of the outstandingly successful American concerns. Thus nearly all lists show substantial blocks of such securities as those of the Aluminum Co. of America, American Telephone & Telegraph, Westinghouse, General Electric, Pennsylvania, du Pont, New York Central, some leading utilities, a few leading banks, etc. But there may be plenty of less well-known stocks in which the management believes there are good profits and earnings. Several investment houses carry the stocks of other trusts. A surprisingly large number of foreign securities—especially European issues—are held by American trusts. Interesting among these are stock of the Bank of Germany and the Bank of France. "Diversification" is the theme song of the trusts.

The American trusts differ in investments.from the British rather sharply in one respect. The British diversify among bonds, preferred stock and common stock, invest heavily in the first two types of security. The "new era" idea still is strong among American groups. Analysis of a number of larger trusts shows only 6.35% of holdings in bonds and 4.69% in preferreds. But common stock made up 69.95% of their holdings, call loans 13.94%.

INVESTMENT trusts are on the defensive. Reaction against them is in proportion to preceding over-expansion. Many a good trust stock is selling for less than liquidation value of its securities at current reduced prices.

It would be unfortunate, however, if the present reaction against investment trusts should result in too close regulation of them, either by legislation, stock exchange rulings, or public opinion. Unlike banks and insurance companies, they are not necessities of economic life. One need not buy their stocks unless he wants to. Banks do not publish their portfolios, but are periodically inspected by government officers as protection to depositors. Insurance companies do publish, but it is as a protection to policyholders, not holders of their stocks. Investment trusts have neither depositors nor policyholders to consider. Their stockholders are voluntary ones. It is easier to hamper good management by regulation than to do away with the evils of poor.

Inc.
SELL
BUY

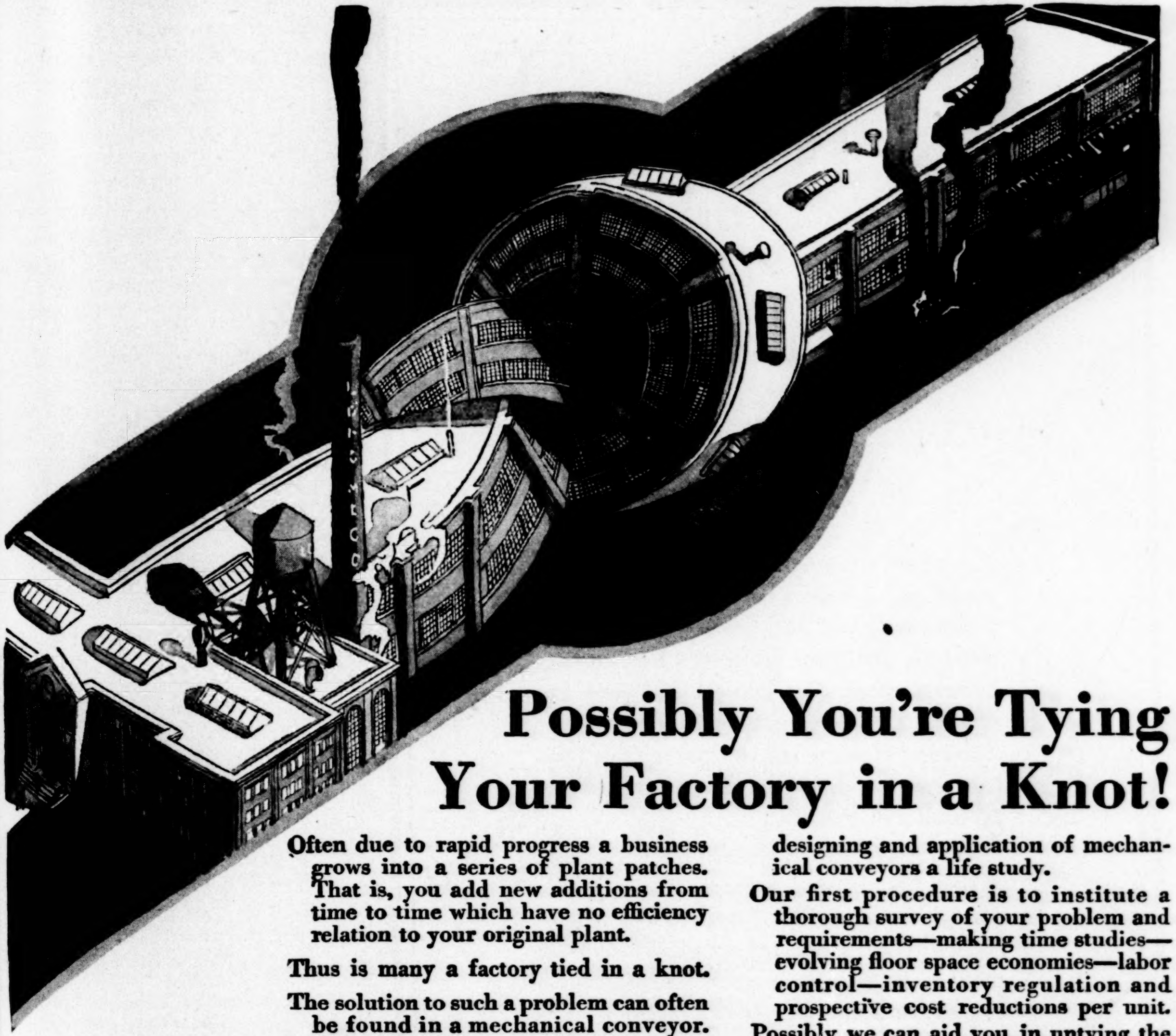
The underlying theory of investment trusts is that specialists can invest better than non-specialists. Facts now published reveal that, while specialists are not infallible, the theory is sound enough. Trusts all took some punishment, but, with a few exceptions, actual decline in value of their holdings is less than decline of stock market averages. Millions which they were lending to private speculators at fancy call market rates have been tucked away in good securities since the crash. Well-managed trusts show strong portfolios today, with good chances of appreciation ahead.

PAUL C. CABOT, a trust executive of high standing, pointed out in the *Atlantic Monthly,* March, 1929, three main evils of investment trust management: (1) dishonesty; (2) inattention and inability; (3) greed. He prescribed two remedies: (1) publicity; (2) education.

Publicity, he observed, is more than a matter of opening portfolios to public gaze, which is seldom advisable. It is more important to tell who is actually in control, where management responsibility really rests, how much of profits goes to management and how much to stockholders, what part of reported income is from interest and dividends and what from capital appreciation, and the total cost of securities as compared with market prices.

Corporate set-ups, so involved that they are confusing and invite manipulation, need to be simplified, Mr. Cabot stated. This has been taking place to some degree recently, mainly by consolidation of separate trusts organized under the same sponsorship.

THERE is still much pioneer work to be done in investing. Investment trusts will serve business by doing some of it. Expert knowledge is required. Long study of conditions, developments and opportunities in new fields and new enterprises are necessary. But to publish names of unknown securities, however carefully selected, is to invite sarcastic comment by the uninformed public—"A lot of cats and dogs!" So too much publicity will tend to discourage investment



Possibly You're Tying Your Factory in a Knot!

Often due to rapid progress a business grows into a series of plant patches. That is, you add new additions from time to time which have no efficiency relation to your original plant.

Thus is many a factory tied in a knot.

The solution to such a problem can often be found in a mechanical conveyor. For modern conveyor systems untie production knots. They eliminate waste time and unnecessary effort—speed up manufacturing—develop a higher efficiency per man—reduce labor units and increase product units.

Undoubtedly you can install a system of conveyors operating on a scientific, economical basis which will enable semi-finished or finished parts to flow into the final assembly line like tributaries to a river. This steady flow is the definite cost reducer.

The Palmer-Bee organization is composed of a group of men who have made the designing and application of mechanical conveyors a life study.

Our first procedure is to institute a thorough survey of your problem and requirements—making time studies—evolving floor space economies—labor control—inventory regulation and prospective cost reductions per unit.

Possibly we can aid you in untying the knot in your plant! Possibly we can discover a knot that you did not know existed.

Palmer-Bee recommendations are based on the studied needs of your business. Each Palmer-Bee installation whether of the standard types or special designs are built to do a definite job based on pre-determined requirements.

The essential merit of this organization is its high technical skill and advanced engineering knowledge acquired in studying a wide variety of industries and installing thousands of conveyor systems. Correspondence invited.

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What Return on your investments can you reasonably expect?

From capital invested in bonds or mortgages, the investor has a right to expect a definite, fixed and prior return. That return is ordinarily reflected by current interest rates. On capital invested in common stocks, his return is based on different factors. He is a partner in the business in which the stock represents an ownership.

Normally, the business man does not expect his business to perform miracles over a short period. The investor who buys into a business through an investment in its common stock should take the same attitude. It takes time for growth to take place and returns must, therefore, be measured over a period.

The large rewards of common stock investment have always gone to those who have bought into sound situations and stayed with them. That is buying on an investment basis. The record is full of evidence that such an attitude is the most profitable one.

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in worthy new enterprises. It takes comparatively little acumen to buy blue chips on past records only. Unless some pioneer investing is to be done, expert managers are not needed.

The British are notoriously conservative. And yet their investment trusts, developed in a large way 40 years ahead of the American, have consistently pioneered. They were formed for the purpose of systematically exploiting opportunities in foreign lands. Lord Teagle, let us say, found a manager of unusual ability. He told his friends. They brought funds to the same man. Before long he was managing millions—a de facto investment trust. Thus it started.

Back in the early '80's Robert Fleming, who might be called the Christopher Columbus of investment trusts, came over to America and started buying 6%, 7% and 8% railroad mortgages with money borrowed in London for 3%. Other Englishmen saw the opportunity to put cheap money to work in other lands. By 1888 the investment trust movement was well under way. Then came the big boom, with manipulation, pyramiding and other phenomena that were to reappear again in the United States just 40 years later. The Baring crisis of 1890 ended it. Good trusts suffered along with poor ones. By April, 1891, shares of 10 leaders were down 34%. It was not till 1896 that a definite upward trend began. But the good trusts have lived on through the years, growing in size and prestige. Robert Fleming is still a power in many.

MUCH can be done, not only for American business but for the world at large, by intelligent investment of American funds abroad today. World-wide diversification, such as the British have had from the beginning, is sought by far-sighted American managers. "Many companies, many industries, many countries," is how one group expresses it. Names of trusts tend to reflect this international scope: Tri-Continental, North and South American, United States and Foreign Securities, American Overseas Investment, Domestic and Foreign Investors.

World-wide diversification is a form of insurance against stock exchange fluctuations. These do not synchronize in different countries. New York stocks dropped precipitately in October and November. Berlin stocks dropped too, but only about 10%, and this was in part due to different causes, as disappointment over delay in ratification of the Young plan. Between January, 1926, and April-May, 1927, German stock market averages went up from under 90 to around 200. Investors who sold German stocks at the high point did so at just the time that French stocks were a buy. Current developments in Japanese finance suggest consideration of Japanese bank stocks at this time. So it goes. Different economic forces, with varying effects on security values, are at work in different countries simultaneously.

Even at home, true diversification, for investment trusts as for individuals, is more than just picking the right stocks at the right time. As Lawrence Stern, Chicago financier, puts it, "True diversification seeks an economic 'straddle.' Dividing substantial sums between securities and real estate is an old idea on which many family fortunes in America are based. It is still a sound idea, for investment trusts born in 1929. Recent financial history suggests the wisdom of placing a substantial part of one's funds in the type of investments that do not fluctuate with the ups and downs of listed security markets, and which, from their nature, are likely to show steady progress over a period of years."

WITH management the one factor of prime importance, broadly informed economists and statisticians find a tempting new field as investment trust executives or counselors. Dr. Irving Fisher is adviser to several. Paul Clay, recently of Moody's Investors Service, is vice-president of United States Shares Corporation. Homer B. Vanderblue, former director, Committee on Economic Research, Harvard Economic Service, is vice-president of Tri-Continental. Dr. David Friday, one-time university president, an authority on interest rates, advisor to the Federal Treasury during the War and the railroad administration after, is an investment trust president. He spends a good deal of his time abroad. Already organization of research men and market analysts have been formed to serve investment trusts exclusively. One such employs 40 people, works for five trusts, and charges a fee of 4/10% of funds employed.

Public confidence, the greatest asset a financial institution can have, is something to be built through the years. To win it investment trusts need not tell all their private affairs. But they will have to deal frankly with the public, telling enough about their policies and methods, their aims and ambitions, their affiliations and management, to convince investors that they are worthy of continued moral and financial support. The present tendency in this direction is a healthy one.

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American Ship Builders Get the "Go" Sign

But, with tonnage now 32% above pre-war and world trade only 10% up, the going may not be good—even on subsidy power

THE Shipping Board and the Postoffice Department have been sailing swiftly and serenely along on the troubled waters of business recession and political anxieties with all sails set in their program of keeping American shipyards busy and American ship operators happy building and operating more, bigger, and better ships for the American merchant marine. No one has paid much attention to all this except the shipping people and an occasional cantankerous Congressman who has felt that local interests have not been fully protected in handing out loans or subsidies.

The amendments to the merchant marine legislation which have been under consideration for several months were rushed through the House by tactics which were freely admitted to resemble the operations of a steam roller. This was not done with the intention of hurting anybody, but only because Congressman White, who sponsored the measures as chairman of the House Committee on Merchant Marine, had to hurry home to Maine to open his campaign for nomination to the Senate.

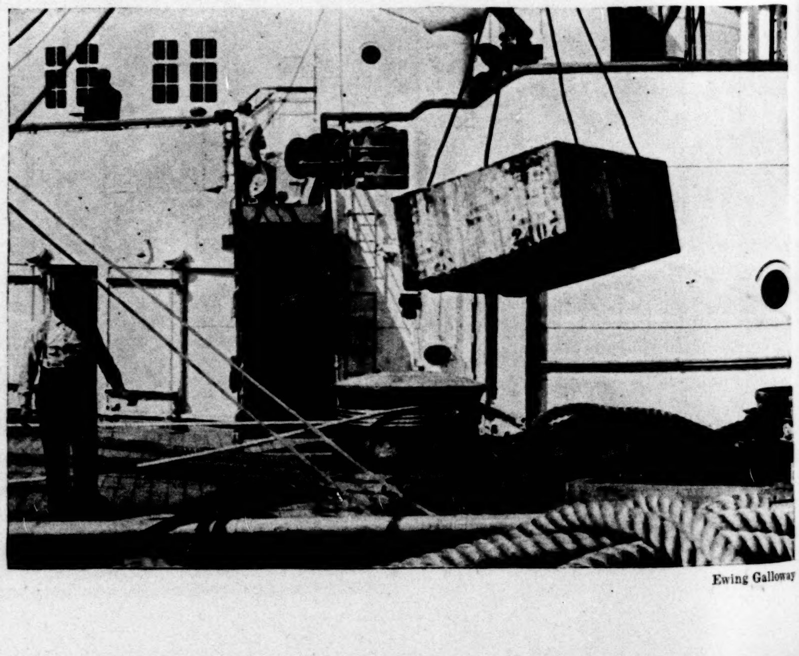
The doughty Representative La Guardia from New York tried vainly to impede the steam roller's progress by heaving a few verbal bricks at it. Other New York representatives also voted against the bills, but this was generally understood to be chiefly because they opened the way for the Shipping Board to sell the American-France and American Diamond Lines, and award mail contracts for them, to the present operators of the lines instead of to the Chapman interests of New York, who run the United States Lines.

These amendments to the Merchant Marine Act provide for awarding mail contracts to purchasers and operators of Shipping Board lines as against outsiders, without competitive bidding and at the discretion of the Postoffice. American companies are allowed three years in which to dispose of their vessels under foreign flags in order to receive mail subsidies. The rate of interest on loans by the Shipping Board for ship construction is reduced during the construction period and a fourth amendment permits the extension of coastwise ocean mail services under mail subsidy to all Canadian ports. This latter is of particular interest to the Eastern Steamship Company, operating from Portland, Maine, Representative White's state.

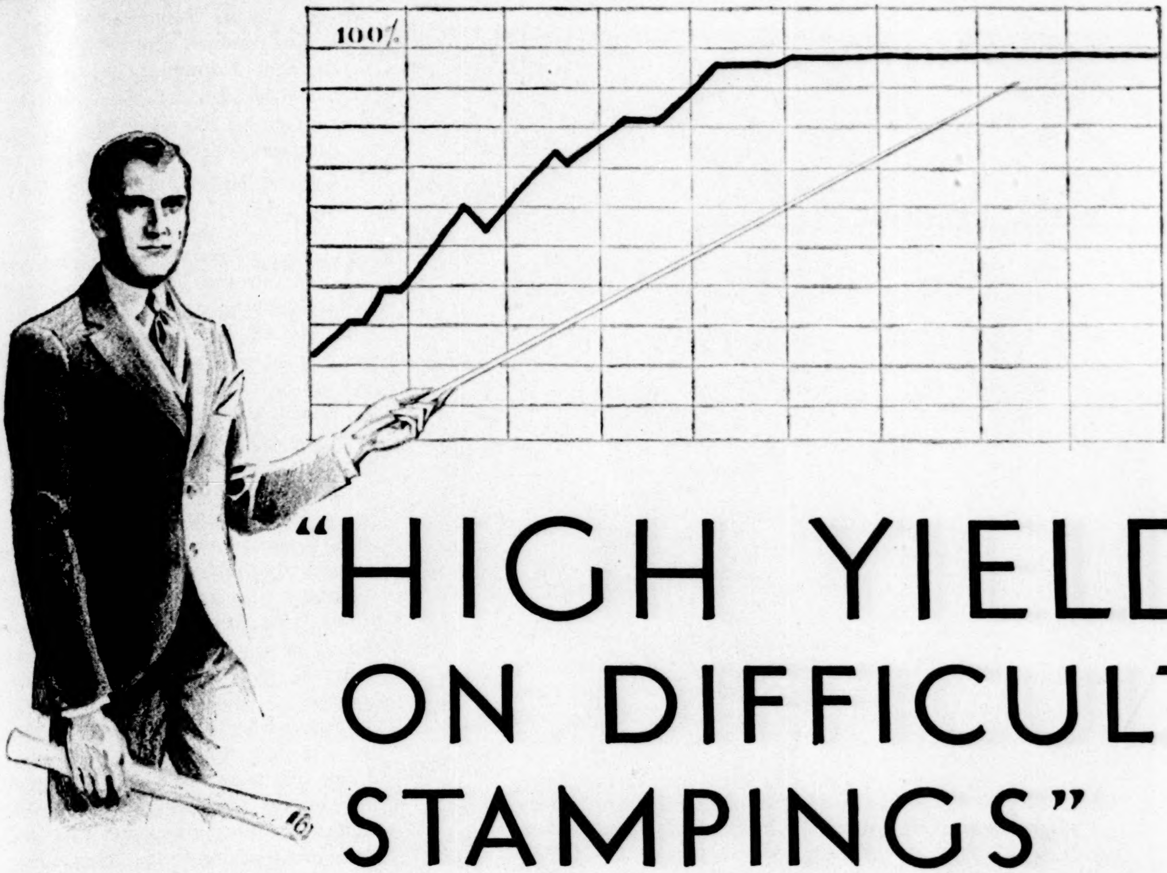
THE Senate is showing considerably less alacrity in passing these amendments. Even before they had been passed by the House, however, the Postmaster awarded four mail contracts in its program calling for such contracts, with new ships on twelve new mail routes. Two of the four contracts went to the United States Lines, which will get $1,637,000 a year for carrying mail between New York, Hamburg, and London. They will have to build two 20-knot, 20,000-ton cabin liners for the New York to Hamburg service at a cost of $7,500,000 each and two 18-knot, 7,000-ton vessels for the New York to London service at a cost of $3,500,000 each. One of the other two contracts went to the Colombian Steamship Company for service between New York and Colombia, and involved an annual subsidy of $275,000 and construction of two 16-knot, 5,000-ton vessels costing $1,750,000 each. The other contract went to the Panama Mail Steamship Company, a Grace subsidiary, for service between San Francisco and Colombia, calling for an annual subsidy of $570,000 and construction of two new, 18-knot, 8,000-ton vessels costing $5,000,000 each.

IT is not clear whether these contracts were awarded on the old competitive basis or in anticipation of the passage of the amendments to the Merchant Marine Act. The Postmaster, on March 8, was said to be ready to announce the award of six more mail contracts in its program, and indicated that they would go to United States Lines, the Roosevelt Steamship Company, the Grace Line and the United Fruit Company. These awards will clean up all bids for mail contracts now pending. Those on the two remaining services in the program are to be reopened March 31. Altogether they will involve building thirteen new vessels costing $95,500,000, eleven to be built within five years. The Senate Committee, however, has caused the Postmaster to defer these awards until it has asked further questions about the pending amendments to the Merchant Marine Act.

All this does not mean that the "greater merchant marine" advocates in Congress have finished. Representative White has other things in mind and has been discussing certain other legislation for the purpose of forcing the Cunard Line out of the Cuban service by bringing Cunard liners under the definition of "fighting ships," which are outlawed in the Merchant Marine Act. He has also revived the preferential tariff idea and wants to put a duty or a special tax of 10% upon goods entering the country



Ewing Galloway



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Thus, from a plant enjoying the economies of Georgia location it is possible to serve a wide and rich market with goods whose quality compares favorably with wares of imported clays, at a price well below similar goods from other sections.

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INDUSTRY PROSPERS IN GEORGIA

through Canada. Nevertheless, through these mail contracts now being awarded, as Assistant Postmaster-General Glover says, "by the stroke of the pen the Postmaster-General has given the 'go' sign to American shipbuilding yards to get busy and keep busy for the next five years at least."

ALL this enthusiasm is in strong contrast to the gloom prevailing in British shipping circles, where the shipbuilders and ship operators bewail the fact that there are too many ships already and too little business for them. At the last annual meeting of the Chamber of Shipping of the United Kingdom the president of the Chamber said that freight rates are today at the lowest on record and actually below the post-war level. It appears that ship transportation is about the cheapest thing you can buy. All that a ship owner gets for carrying things from Australia or Vancouver is about 2 cents per ton per hundred miles of travel, and, as the president of the Chamber of Shipping said, "you could not run a baby Austin car at anything like such low cost."

Last year there was a sharp decline in the earnings of British shipping companies. The liner companies have paid lower dividends and their reserves have been further depleted. Many of the tramp ship companies have been unable to pay any dividends at all and failed to make any provision for depreciation.

The reason, as British shipping people see it, is that world trade has increased only 10% over pre-war while the tonnage and movement of ships have increased 32%. World tonnage has continued to expand at the normal pre-war rate but trade has not.

Finally, the British feel that the policy of subsidizing shipping and shipbuilding has contributed largely to the inability even of subsidized ships to earn good profits.

The British, who are the most experienced and perhaps the most efficient in this shipping business, are aware that the present business depression and unsettled conditions in commodity markets all over the world, make the prospect for profitable ship operation less favorable than it has been in many years. Although they are faced with a far more serious problem of maintaining employment in the shipbuilding industries, which are basic in British economic life, they are so doubtful about the shipping prospects that they are trying to reorganize and rationalize the industry by cutting down the number of yards and consolidating into more efficient units.

Canada to Stop Booze Flow

THE cost to Canadians of prohibiting the export of liquor to the United States will be between $35 and $40 millions a year. This sacrifice is being imposed upon them by their government solely in the cause of neighborliness and international goodwill.

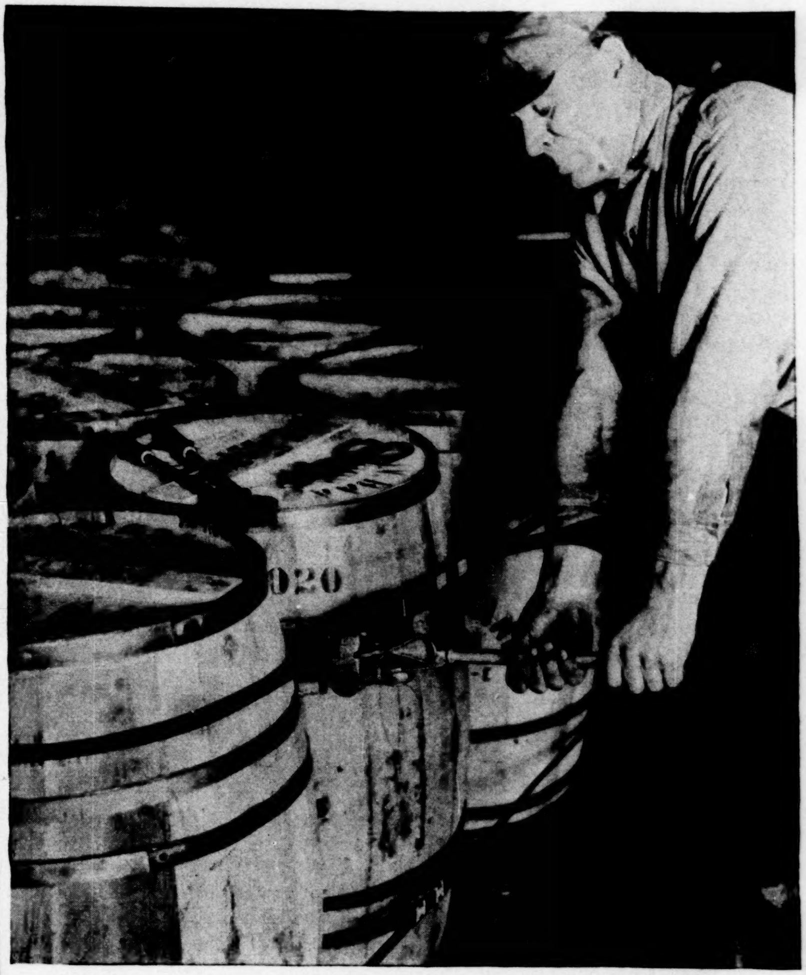
The annual revenue to the Canadian treasury from the tax on liquor exported to the United States is $12 millions; the cost of enforcing the prohibition of export is estimated at from $1 million upwards. This $13 millions will have to be made up by the Canadian people in other forms of taxation. In addition, the value of the annual exports of liquor to the United States is between $25 and $30 millions. This will be lost to Canadian distilleries, bottle-making and lithographing plants.

In both houses of Parliament, in his own party, in the cabinet itself, there are substantial elements which do not approve of Premier Mackenzie King's course. They hold that in its tariff policy, in its failure to stop the extraction of water from the Great Lakes by the Chicago Sanitary district, and in other respects, the United States does not manifest a corresponding spirit of neighborliness toward Canada. They maintain that Canada is not under any obligation to assist the United States in enforcing its prohibition laws. They point out that, according to the statements of American officials, the liquor received from Canada amounts to only about 2% of the total United States consumption. Mr. King has brushed aside this opposition and is forcing his measure through.

The bill should be effective. It prohibits the clearance of liquor for the United States and also makes illegal the release from the distilleries of liquor intended for export to the United States.

A year ago, the Canadian government rejected the request of the Washington government for such action. The Canadian Minister of National Revenue held at that time that the United States could prevent rum-running from Canada if it made sufficient effort.

In anticipation of the action now being taken, the interests engaged in the liquor traffic have been developing for some months the circuit from Canadian distilleries through St. Pierre-Miquelon to the United States. The volume of liquor exports to the French islands has increased heavily since autumn. Canadian officials have evidence that this liquor finds its way into the United States.



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The Real Van Sweringens—Brothers, Bachelors, Builders

CLEVELAND regards the Van Sweringen brothers—Oris Paxton and Mantis James—with affectionate pride and admiration, for not only are they friendly, democratic men who put on no airs whatever, but they have unquestionably done big things for the old home town. They've spent almost $400 millions in the construction and development of their retail shopping centers, their railroad terminals, their tall commercial buildings, their 50-story tower, their great hotel, and their new suburb of Shaker Heights, now a city of 15,000 population with a real estate valuation of $80 millions.

The Cleveland of the Van Sweringens is infinitely grander and more beautiful than the Cleveland of a decade ago, for the brothers have worked on a gigantic scale. It is characteristic of them to do things lavishly. Whatever they build must be big and sumptuous.

Nevertheless, signs of worriment are beginning to furrow the brows of many Cleveland business men and property owners. Have the Van Sweringens done too much? Have their schemes been too grandiose? After all, Cleveland is only so large, and there is scant likelihood of an immediate mushroom growth. But unless something of the sort occurs, what is the city going to do with the space that the Van Sweringens have so handsomely provided?

The enterprises controlled and operated by the brothers seem in themselves capable of housing all of Cleveland's business. If business "goes Van Sweringen," many other property owners are going to lose a lot of money; if it doesn't, the great Van Sweringen buildings will resound hollowly to the tread of the watchman. Cleveland seems faced with the necessity of doubling her population and industry almost overnight, and she probably won't do it. It's all very confusing, and apt to become more so, for apparently, to paraphrase John Paul Jones's famous retort, the Van Sweringens have scarcely begun to build.

Although the Van Sweringen activities in real estate threaten to dislocate Cleveland's center of economic gravity, and are causing many business men to lie awake nights trying to think things out, no one attributes the slightest ill-will or evil motive to the makers of such startlingly new conditions. Even the property owners who discern the handwriting on the wall will only say, vaguely, "Well, maybe the boys shouldn't go ahead quite so fast." On the contrary, Cleveland as a whole revels in the worship of its heroes and glories in their power and vision; the city is avid for anecdotes which illustrate the various traits and idiosyncrasies of the famous brothers.

JUST now the town is chuckling over the fact that for several days the sword of Van Sweringen displeasure hung above the head of the frightened chef of the Chamber of Commerce Restaurant, which, naturally enough, occupies a couple of floors in the imposing Van Sweringen Tower.

According to the story, the trouble was that while the chef performed miracles with his entrées and was more than adequate with his hors d'œuvres, he left considerable to be desired when he attempted pies. His apple pies, in particular, were low-grade efforts. It happens that Oris Paxton Van Sweringen is a devotee of apple pie. Moreover, he likes his apple pie to be like his own handiworks, the largest and best in existence. He kicked about the apple pie at the Chamber of Commerce, and the chef is said to have made an appropriate retort. Thereupon Mr. Van Sweringen issued an ultimatum—improvement in the apple pie, or another job for the chef. So a pie maker par excellence was procured, the pies improved, the chef kept his job. Everybody is happy.

Before beginning a course of training on apple pie, however, those who are anxious to emulate the brothers' far-famed wizardry with dollars—or rails and I-beams—should know that neither of them smokes or drinks. Nor do they believe in the late hours or the other distractions and compensations traditionally allowed the overworked business magnate. Moreover, they play golf very little, polo, squash, tennis not at all, ride only a few hours each week, and only occasionally take a walk about their large and white-fenced Daisy Hill Farm, a few miles out of the city.

PROBABLY the spirit, the "feel" of Daisy Hill does as much as anything to help them resist the narrowing and hardening influence of their eminence. In the big, sprawly house, the atmosphere seems not so much to derive from the modern furnishings as from the rafters of what used to be the old barn.

"Run out to dinner any Sunday," the head of the great table is likely to urge, "and don't bother to telephone ahead!"

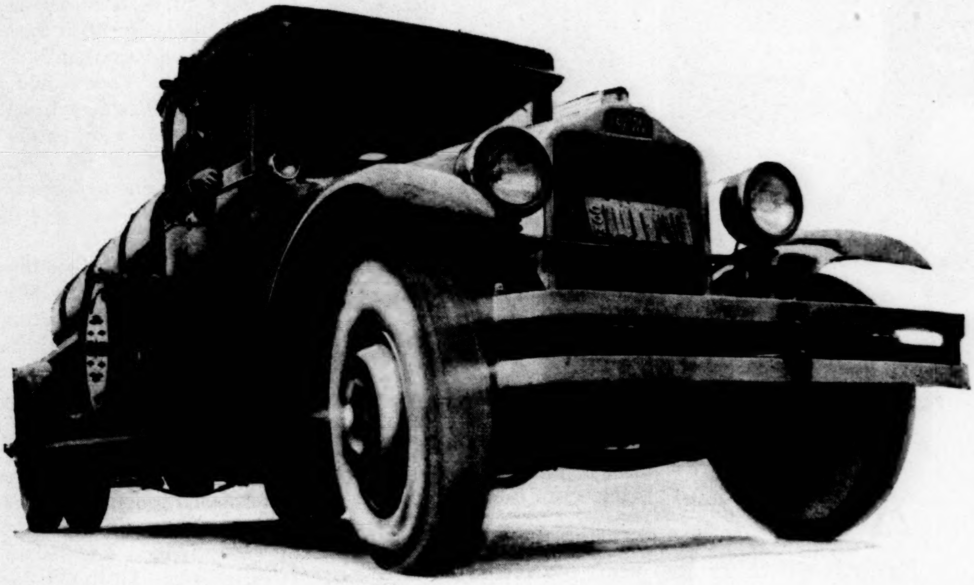
Of course you may run into a Western railway president or a Wall Street banker. Quite certainly the conversation will be interrupted by the Van Sweringens' ever-present boss, "Long Distance." The girl who sits in one of the country's handsomest private exchanges attends to one of the world's busiest private wires. Those ever-ready, far-reaching wires and the quiet, homey farm were in the mind of one of the brothers when he explained one night:

"No, we have no wish—and we see no necessity—for moving to New York and proceeding to open up the offices, or, in general, to live the life that so many seem to think should go with our present jobs."

If the pressure grows too great and they do some

International

Mr. Hart *makes the run*



AND CUTS 2 HOURS OFF THE SCHEDULE

GOODRICH BALLOON TIRES FOR TRUCKS,

an outstanding new development, are the logical tire equipment for the long, speed hauls. They result in greater safety, more protection to load and equipment, smoother running, added traction and marked economy. Get in touch with your nearest Goodrich Distributor about a change-over.

HAD Mr. Hart been an average Truck and Bus Tire Distributor he would have recommended replacement tires of the same size and type already used by a prominent oil company and complimented himself on another sale.

As a result of his fleet survey, however, he was convinced that their trucks, running on long, fast hauls within a radius of 200 miles would operate faster and more economically on heavy duty balloon tires.

To learn more of the operation, he made the "run." He studied the routes, tabulated the speeds, took note of the loads, checked the mileage.

Result—a 2-hour average cut in schedules for every truck on the job.

Cause—a complete change-over of every piece of rolling equipment from high pressure tires to Goodrich Heavy Duty Balloon Tires.

That was three months ago. Today this same company reports that Goodrich Balloon Tires excel in smooth, speedy, *safe* operation, not to mention a 20% increase in mileage added to greater protection for their equipment and loads.

Mr. Hart, the Goodrich Truck & Bus Tire Distributor in your locality, is cutting hauling costs by knowing more about the operation in question and by making *specific*, constructive recommendations to fit *specific* needs.

●

The B. F. Goodrich Rubber Company, Established 1870, Akron, Ohio. Pacific Goodrich Rubber Co., Los Angeles, Calif. In Canada: Canadian Goodrich Co., Kitchener, Ontario.

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An Anchor Fencing Specialist is located near you. Consult him for the solution of your fencing problems.

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Philadelphia Pittsburgh St. Louis San Francisco Shreveport

Representatives in all principal cities. Consult your local classified directory.

ANCHOR FENCES
MADE BY THE MAKERS OF AMERICA'S FIRST CHAIN LINK FENCE

day move to Park Avenue, certainly the New York apartment should not prove over-costly. They'd probably keep right on rooming together. The visitor is told at the farm:

"Yes, those twin beds are theirs. And if one of them is kept at home with a cold, the other is on the phone all day, anxious and worried."

But New York would hardly fail to bring complications to the pair, because there it would be harder for them to side-step their pet aversions—public functions, photographers, and speechmaking.

WHAT is the combination that has made the Van Sweringens what everyone knows they are in modern railroading, finance, construction, and what not? Primarily, it is the ability to rest their case upon logic and practicality, and to interest others. Their first big deal, involving land once held by the Shakers, was handled largely by selling to smaller groups and syndicates until almost every small capitalist in Cleveland was carrying a side-line of Heights real estate.

They have the imagination to conceive a daringly complicated financial or engineering project, and the gift of reducing it to simple terms, to all of which might be added simplicity, sincerity and general wholesomeness of personality. And such equipment for dreaming and simplifying, for winning friends and creating faith, appears to be sufficient to move mountains.

But nobody would be quicker than the Van Sweringens to assure you that your own and your friends' faith should be applied gradually—a small hill at first, then a larger one, and finally a mountain. Certainly the brothers were innocent of all thought of gigantic enterprises when, about 1904—they were then 25 and 23 years old—they left small real estate operations in Lakewood, on Cleveland's West Side, to tackle the job of getting some money back for Buffalo investors who had taken a long—and at that time an apparently hopeless—chance on vacant but attractively wooded lands lying on the Heights to the east of the city.

Getting rid of the land an acre at a time brought bigger deals, and around 1911, in order to make still bigger deals, they had to think about better transportation into the city. Buses being not yet developed, that meant getting into the railroad business, at first in a small way. That, in turn, brought relations with the New York Central and, later, plans for terminals, then whole railways and finally, whole railway systems.

Increase your transport efficiency and cut your costs with the

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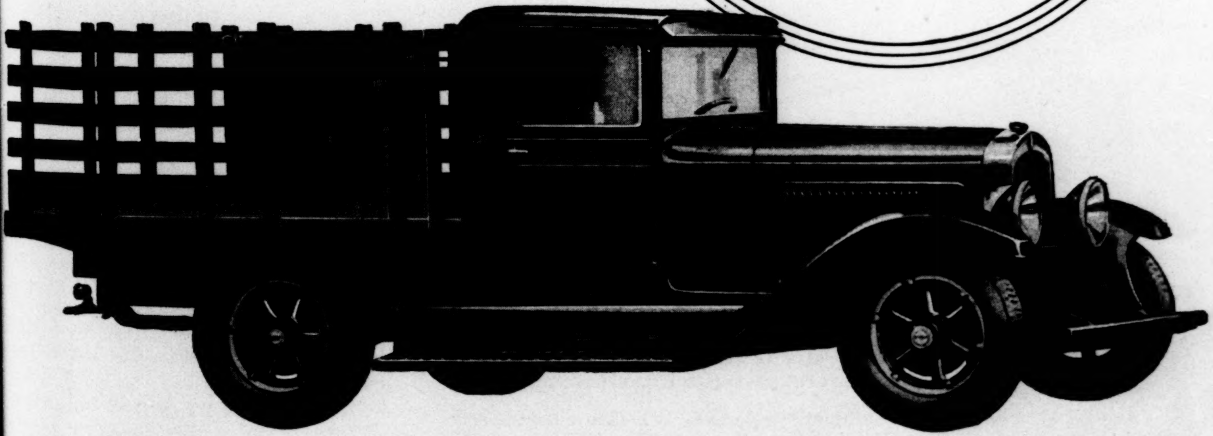

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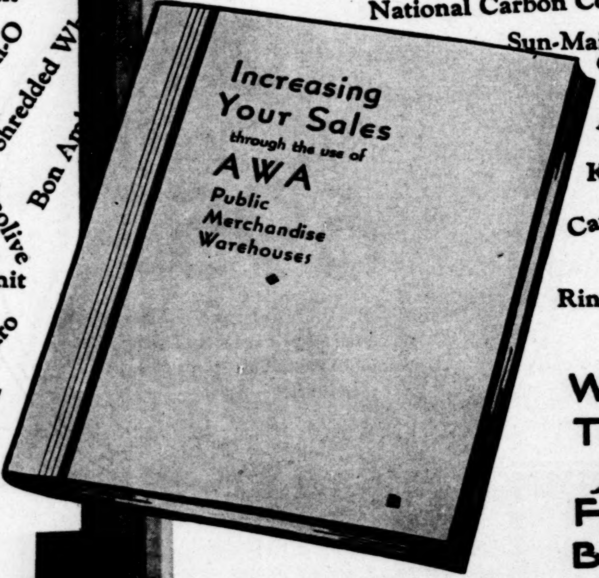
Lux



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Wide Reading

WAR IN THE FILM WORLD. Reginald Wright Kauffman. *North American Review*, March. Lucid and terse explanation of the battle by various European countries against American films.

THE MAN BEHIND TARDIEU. Frantz Clement. *Living Age*, March 1. Dark designs of Georges Mandel, *manipulateur extraordinaire* in French politics.

THE WAGON JOBBER—A NEW FACTOR IN DISTRIBUTION. C. P. Russell. *Printers' Ink*, March 6. Delivery by truck on cash basis is solving the problem of how to handle perishable and semi-perishable foods.

HURDLING THE CUSTOMS BARRIERS ON FOREIGN MAILINGS. Roberta P. Wakefield. *Export Advertiser*, February. Customs regulations, country by country in Europe, for each type of advertising likely to be sent by mail. To help manufacturer get mailings to prospective foreign customer duty free.

HARBORS FOR MOTOR BOATS. George Lee Dowd. *Popular Science*, April. Motor-boat fad creates a new problem. Detroit tries an experiment, pays returns on an investment.

THE BAKER SLICES HIS BREAD AND CUTS A MELON. H. A. Haring. *Advertising and Selling*, March 5. Sliced bread sold itself last year; but next?

LAGGING PROSPERITY OF RAW MATERIAL PRODUCER BASIS OF LATIN-AMERICAN DIFFICULTIES. M. David Gould. *Magazine of Wall Street*, March 8. Economic disturbances and how reflected in domestic business. Chart of U. S. participation.

FORTUNES THAT FARMERS THROW AWAY. E. E. Free. *Popular Science*, April. Income science has discovered in farm products now wasted.

THE RAILROADS OF THE UNITED STATES. *Fortune*, March. Maps in superb style of principal groupings under final I. C. C. plan.

BOOKS

INVESTMENT BANKING. H. Parker Willis and Jules I. Bogen. Harper, 514 pp., $5. Excellent manual of investment banking.

THE OFFICE AND TOMORROW'S BUSINESS. L. C. Walker. Century, 187 pp., $1.50. Fresh viewpoints on executive's job of simplification of office procedure and cutting of overhead costs.

RAILROAD PURCHASING AND THE BUSINESS CYCLE. John E. Partington. Brookings Institution, 309 pp., $3. On basis of statistical studies, going back to 1870, decides that railroads do more buying, particularly of locomotives and freight cars, in good times than in bad.

OPEN-PRICE TRADE ASSOCIATIONS; a study by the Federal Trade Commission. Senate Document, No. 226, Government Printing Office, Washington, 516 pp. Recommends federal licensing of all trade associations with compulsory reports of their activities and statistical returns to Census Bureau.

Communists Now 20,000; 6,000 Added Since Jan. 1

Recruit fewer illiterates, more Americans; party is carefully directed by Moscow

A MEMBERSHIP drive has added 6,000 new members to the Communist Party of America since the first of the year. Between Jan. 1 and Feb. 24, 1,443 were added in the New York district; 1,059 in Detroit; 518 in Chicago; 473 in Cleveland; 417 in Philadelphia; 340 in Minnesota; 270 in California; 240 in Boston; 242 in Buffalo; 154 in Pittsburgh; others in the South. The drive is continuing. Quotas are set, after the fashion of the day.

There are today 20,000 Communists in the United States. They differ markedly from Reds of ten years ago. There are fewer foreigners, more native-born Americans; fewer illiterates, more who are educated and experienced leaders. In America, as in Russia, the Communist Party is set up to lead. Highly disciplined, tightly organized, intelligently led, this small body can and does make trouble for American industry, more trouble than gets into print. To train its members, night schools are provided in important centers. The Workers' School of Detroit—"training for the class struggle"—offers nine courses, evenings, Saturday afternoons, and Sunday mornings. Nationwide correspondence school courses in Communism are soon to be instituted.

Trade Union Unity League, Communist industrial subsidiary, claims half a million members. It has active unions in various crafts, especially strong in mining and textiles. This league, successor to Trade Union Educational League, was organized during a three-day meeting in Cleveland at the end of last August, attended by 690 accredited delegates. An examination of the minutes of this meeting, made by THE BUSINESS WEEK, reveals that Red disturbances in Gastonia were the feature topic in the discussions. A Gastonia strike leader, then under indictment for murder, was elected honorary chairman of the opening session; a 14-year old Gastonia girl was an important speaker. A leader who made a fiery address was, so the minutes record, "given a hearty round of applause for his extremely seditious utterances."

Trade Union Unity League, being the American section of the Red International Labor Unions, takes orders direct from Moscow Communists. William Z. Foster, head of the organization, attended the Rilu meetings in Moscow, December 16-26. Funds for work in America were supplied him. On his return, he reported to the executive board of Tuul in New York City, February 15-17. He informed them that it is the desire of their Russian leaders that there be a rising militancy of workers all along the line. Greater vigor, more active leadership in all struggles, is expected of Rilu sections in various parts of the world. "Hampering, defeatist, timorous, Right Wing elements" are to be wiped out.

RUSSIAN Communists are not hesitant about enforcing orders. Those who disobey are ousted promptly. In addition to the main body of obedient Communists, headed by Foster, there are two American groups officially in disfavor. One is the Lovestone organization, headed by Communist leaders of Jewish descent, expelled from the party a short while back for opposition to policies of the International. The other is the Cannon group, expelled more than a year ago for insubordination.

World revolution is the Communist goal, now as always. It has been eleven years since Soviet leaders began to assure their followers that world revolution is imminent. Nothing much has happened. Consequently pressure is being put on Communist high-ups to demonstrate that Agitprop (Committee of Agitation and Propaganda) is really getting results. The desire to create for home consumption news reflecting Communist strength in other lands is believed to have prompted the world-wide unemployment demonstrations March 6. Similar demonstrations will take place on May Day as usual. The recent ones were scheduled for Feb. 26, but the powers changed their minds. The following is quoted verbatim, though not in full, from the Moscow cable of instructions:

"The Communist Party of America must utilize the additional eight days for a most energetic campaign and organization preparations, so that great masses will be mobilized. Special attention must be given to demonstrations outside of factories. The regular meetings with the unemployed should be utilized for the most intense propaganda and for preparing demonstrations outside of the factories, leading in every move up to a big demonstration on March 6 with the largest masses participating. The demonstration must be thoroughly planned and prepared and every member must know his duty and his place. Defense of this demonstration against police attack must be well organized and in every industrial city there must be an aggressive mass demonstration of the unemployed with a decided offensive character."

Agitprop departments of each of the thirteen Communist districts in the United States supplemented these general instructions with specific regulations as to what each member must do.

While in many cities the demonstrations were more or less of a flop, in others there was considerable excitement.

In Detroit, one observer remarked, "police were lined up along Woodward Avenue like fence posts." They clubbed some heads, mainly non-Communistic, and arrested a few individuals for disturbing the peace.

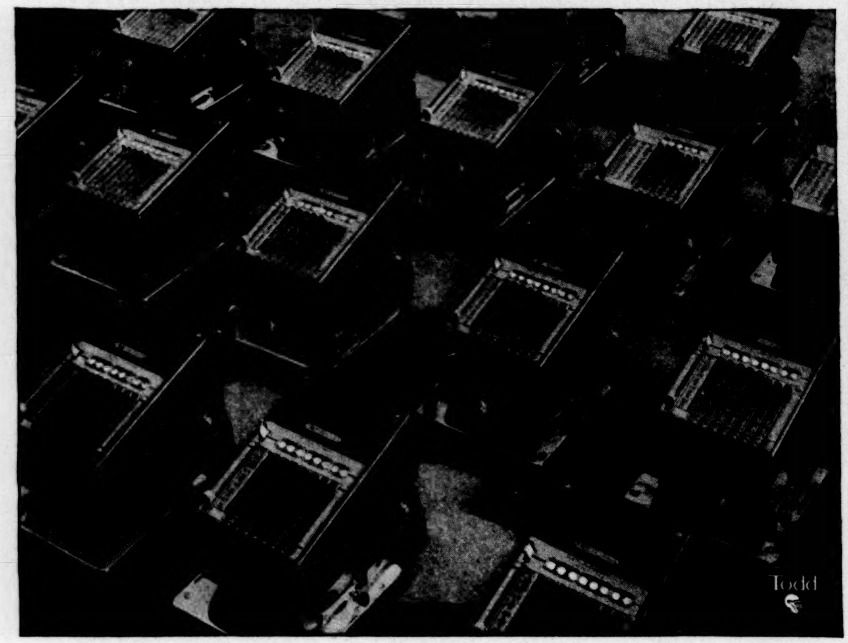
In Chicago, William F. Russell, chief of police, issued a permit for a Communist parade on streets west of the Loop. Two or three thousand marched, with police going ahead clearing the way. As they went they passed out literature to bystanders, yelled "Join the unemployed" and "Down with Hoover prosperity." There was no violence.

In New York, Police Commissioner Grover Whalen started out with similar cooperative tactics, but it ended in a rumpus.

A BUSY year is ahead for the Trade Union Unity League. A national auto workers convention is scheduled for May 17-18, Detroit. About 90 attended the preliminary meeting of arrangements, March 8. The Detroit automobile industry is open shop. The American Federation of Labor has tried to organize it from time to time, but with little success. Communists appear to be making a little headway in the motor city. It is reported that they are adding to their membership at the rate of 50 a day. This, however, is not a net increase, as members are continuously dropping out, particularly when employment is on the increase, as it is now. There are not nearly as many Communists in Detroit today as there were in 1919 and 1920.

A general Southern Tuul conference is to be called late this spring. A Na-

"SEND US FIFTY CENTURYS!"



WHEN a great corporation, after careful study, discards check writers of various makes in order to standardize upon the Century Protectograph, its reasons for doing so must be of interest to other business men. Those reasons—performance, durability, efficient service—are explained in the letter below, reprinted just as it was received at the Chicago office of The Todd Company.

Todd Sales Company, Chicago, Illinois

Gentlemen: We are handing your Mr. A. A. Meuser, an order for fifty (50) Century Model check writers to be delivered to our various subsidiaries as per list attached.

After careful study, we have decided to standardize upon your machine because of the neat appearance of its imprint and because, after test, we are satisfied that it will stand up best under our exacting work.

Our decision was influenced likewise, by the efficient service which we have experienced from your company.

Yours very truly,
CENTRAL PUBLIC SERVICE CORPORATION
W. S. MCCULLOUGH, *Treasurer*

Interestingly enough, this initial order for fifty machines was followed by another for ten! . . . See for yourself the speed, ease of operation and versatility that distinguish the Century from all other check writers. Phone the local Todd office for a demonstration. Or mail the coupon below directly to us. The Todd Company. (Est. 1899.) *Protectograph Division*. Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

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Please send me further information about the new Century Protectograph.

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TODD SYSTEM OF CHECK PROTECTION

tional Marine Workers League convention is coming in New York, April 26-27. The Needle Trade Workers Union will meet later in the spring. The Metal Workers League will hold their national convention in Youngstown, June 14-15. All are Communistic unions.

Rilu has ordered the National Miners Union to call a general strike some time before October 1 to test out their strength. It is in this field that Communists have made greatest headway against an American Federation of Labor Union. The public is to be shown whether John L. Lewis or Pat Toohey is the real mine labor leader, Moscow decrees.

WHETHER Reds make greater progress with organized or unorganized labor is a moot question. Certainly they do best where there is misery and discontent.

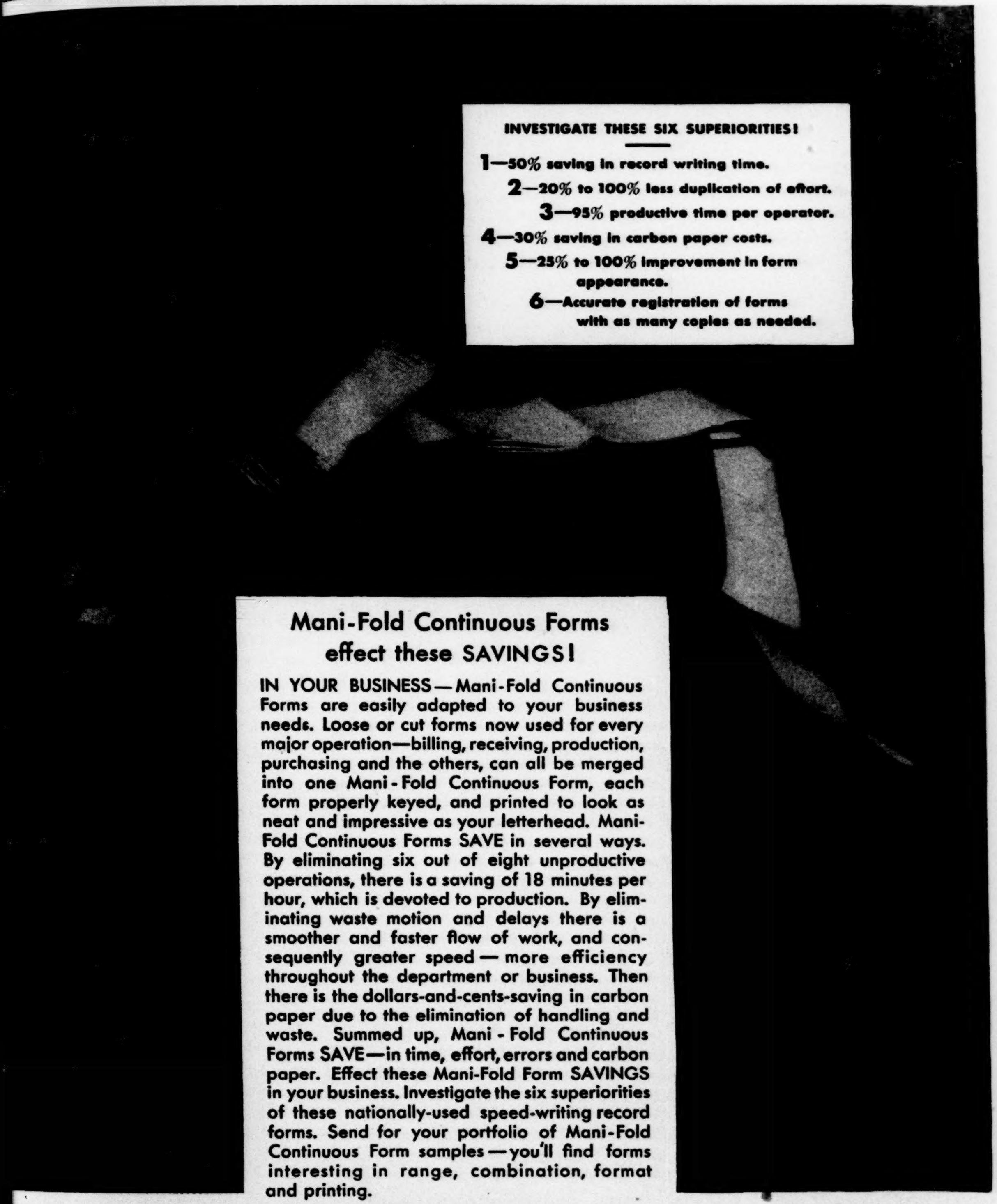
One feature of the present depression that makes the Communists' job more difficult is the tendency of manufacturers to cut down on hours of work of all men employed rather than to lay off large numbers while keeping others full time. Men retained on short hours may be pinched somewhat, but at least they feel they are being treated fairly.

There are cases where employers and unions would do well to cease arguing with each other and unite against the encroaching Tuul unions. A. F. of L. and Tuul are bitter enemies. There are other cases where employers would do well to make more serious efforts to remove grievances.

A young Communist leader, employee of a principal electric manufacturing company, announced the following program for his division of Tuul at the Cleveland meeting last year. While it may be too much for industry to swallow all at once, none will deny that some great corporations are moving in the direction he points. The ten planks in his platform are:

1. Seven hour day for adults.
2. Six hour day for women and youths.
3. Five day week.
4. Abolishment of speed up system.
5. A minimum wage of $35 a week for adults.
6. Two week vacation with pay for adults; four weeks for women and youths.
7. Unemployment insurance to be furnished by the employer.
8. A complete system of social insurance.
9. Four months' pay before and after childbirth for women.
10. Old-age pension with a minimum wage schedule.

Communists also frequently stress the tendency to discharge old employees and replace them with youths and women at lower wages.



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Mani-Fold Continuous Forms effect these SAVINGS!

IN YOUR BUSINESS—Mani-Fold Continuous Forms are easily adapted to your business needs. Loose or cut forms now used for every major operation—billing, receiving, production, purchasing and the others, can all be merged into one Mani-Fold Continuous Form, each form properly keyed, and printed to look as neat and impressive as your letterhead. Mani-Fold Continuous Forms SAVE in several ways. By eliminating six out of eight unproductive operations, there is a saving of 18 minutes per hour, which is devoted to production. By eliminating waste motion and delays there is a smoother and faster flow of work, and consequently greater speed — more efficiency throughout the department or business. Then there is the dollars-and-cents-saving in carbon paper due to the elimination of handling and waste. Summed up, Mani-Fold Continuous Forms SAVE—in time, effort, errors and carbon paper. Effect these Mani-Fold Form SAVINGS in your business. Investigate the six superiorities of these nationally-used speed-writing record forms. Send for your portfolio of Mani-Fold Continuous Form samples—you'll find forms interesting in range, combination, format and printing.

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There's no time like the present to do it! Ask your secretary to send for your copy of Mani-Fold Sample portfolio, by just attaching this note to your letterhead

Swift Survey of Business Abroad

EUROPE

By Special Cable to The Business Week

DISCOUNTING sharp local variations, the present lower business trend in Europe is expected to continue until foodstuffs and raw materials prices hit bottom, when will come the first real test of the degree of latent purchasing power in the country. No recovery from 1929 depression and possibly a bare maintenance of 1928 levels are at present hoped for.

The week has brought a further ½% reduction in the bank rates of England, Germany, Holland, Denmark, and Sweden, but continued relaxation of short term credit is in marked contrast to the unresponsiveness and inadequacy of long term capital.

There is appreciable improvement in political conditions in England and France, but Germany is facing a crisis.

Observers at steel cartel meeting credit possibility of conversations with American interests toward possible further allocation of exports market. Europe fears American business depression will result in heavy dumping abroad, and is disposed to allocate to Americans compensating neutral market in return for abstention from the European market.

By Special Cable to The Business Week

Great Britain**—**Activity is still on hand-to-mouth basis and business is avoiding commitments till the Budget Bill is announced on April 14. Business sentiment, previously overdepressed, has turned palpably optimistic, though it is difficult to see any justification for it, for the reduction in the bank rate actually reflects slack industry and trade. Business, no doubt, hopes for a stimulus of domestic trade and sees the possibility of a further reduction in the rate.

Wholesale prices have slumped 2% below the February average and are now 12% below that of a year ago. There is general market stagnation with low forward orders for coal, iron and steel, cotton, jute, hides and leather, but wool is more confident. The Lancashire Cotton Corporation increased its capitalization to $12.5 million; absorbs five more companies, making the total controlled now 76, equipped with 4.2 million spindles.

Grave concern is felt over the effect on the already deeply depressed British textile industry of the proposed increased cotton textile duties in India, a major market absorbing from 11% to 15% of British output. The Indian levy is proposed to protect the growing Bombay industry. According to Samuel Courtauld, prospects for the rayon industry, if MacKenna duties remain unchanged, are poor; if they are abolished, are calamitous. Austin (automobiles), reporting good business last year, states that prospects for 1930 under the same conditions are only fair, or poor.

Business generally has protested Snowden's observation on the tradition and refusal at time of business paralysis to indicate tariff policy before announcing the final Budget. Protectionist sentiment appears to be growing, particularly around the perpetuation of duties favoring postwar industries, with sentiment for further extension divided. Meanwhile, Graham, representing Britain at the Geneva tariff truce conference, is seeking to shape the conference towards stabilization and eventual reduction of European tariffs on certain commodity groups only, such as iron and steel, industrial equipment, and staple textiles. This suggests incipient differentiation of tariff policies by commodities.

Clamor for Stock Exchange reforms, and among other things a closer scanning of new listings, compel listed companies to issue quarterly reports. Resumption of trading on the suspended Hatry stocks marks the final liquidation episode, but the position of Harman-Harrison groups is still considered unsolidified.

By Special Cable to The Business Week

France**—**The incipient business slowdown of the last few weeks is proceeding very gradually. The new factor of flood damage is now estimated at $200 millions. Locally the catastrophe concerns chiefly the wine growers, sheep and cattle raisers. There are considerable industrial losses in textile, paper, and knitwear mills, in tanneries and wearing apparel factories, but the whole disaster is so local as to be irrelevant to French general prosperity, and rapid reconstruction with contemplated government credits affords prospects of new industrial outlets.

After recent record bond flotations, gilt edge issues such as 4% $24 million French Land Bank, are now encountering difficulties, while foreign investments are heavy. Notwithstanding expectation that Tardieu will enact detaxation legislation, Stock Exchange continues moribund, and government is really concerned over the apathy, fearing failure of approaching large conversion operations and Young Plan flotations. Reduced taxation, especially favoring domestic investments, considered early probability, once Budget Bill is passed.

By Special Cable to The Business Week

Germany**—**The resignation of Dr. Schacht created a momentary nerve shock on the Stock Exchange but there was almost immediate recovery since business is evidently relieved by the replacement of a headstrong personality which was complicating both domestic and foreign relations, and which will lessen the possibility of friction in International Bank, particularly since the appointment of a Frenchman as General Manager. Benefit of final Young Plan ratification partly vitiated by foregoing mismanagement and accumulated deficits.

Resignation is without bearing on currency stability. Present government not embarrassed in finding as successor Dr. Hans Luther who, though no banking expert, showed exceptional administrative abilities as mayor of steel city of Essen, and later as Finance Minister during difficult stabilization period. More recently he has been Reichs Chancellor, signing the Locarno treaties. He is equally acceptable to Left and Coalition parties, and to business. Management of Reichsbank probably will be more quiet in tone, and International Bank organization preparations are unlikely to be delayed materially.

Reduction of the bank rate to 5½% reflects strong position of Reichsbank, one of very few favorable factors in the business situation, and brings some short term credit stimulus, but long term rates remain unmoved and the capital market is petrified both in the field of mortgages and industrial issues and in stocks and bonds.

German-Polish commercial treaty to end the 4-year tariff war, pending Hindenburg's signature, an important factor in Eastern European stability. Polish coal and hog imports into Germany are expected, to which agricultural and mining interests are opposed, but over which German manufacturers rejoice because it will also mean a large export outlet. The treaty is likely to affect adversely American sales in Poland by renewing German competition, notably in machinery, heavy trucks and other manufactures.

Norddeutscher Lloyd–Dutch Kooninglike Lloyd merge their South American services.

"SUCCESS in Overseas Selling"

SAYS DR. JULIUS KLEIN

Dr. Julius Klein, Assistant Secretary of Commerce.

"requires something more than daring and dominant will . . . precision of information is of paramount importance for every merchant or manufacturer, banker or shipper."

DR. KLEIN'S statement goes to the root of the selling problem both here and abroad.

The J. Walter Thompson Company commenced, more than ten years ago, to build an organization which would give American manufacturers, in their penetration of foreign markets, the advantages of those same American merchandising methods, based upon precise information, which the J. Walter Thompson Company has applied so successfully in this country.

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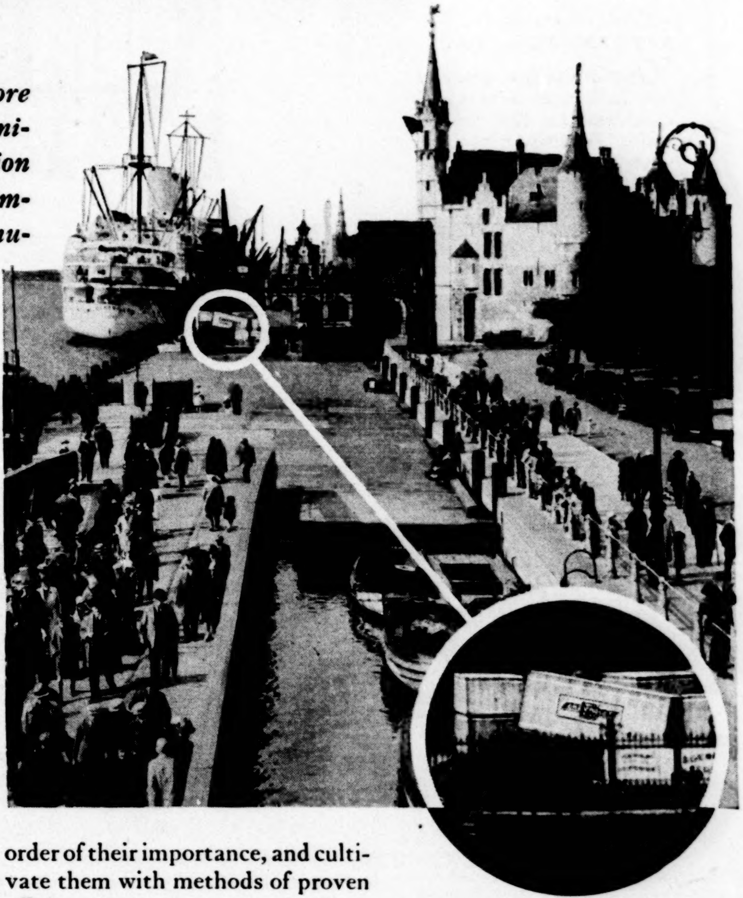
An interesting pamphlet, entitled "Selling Abroad," which shows the scope of the foreign service of the J. Walter Thompson Company, will be gladly sent to executives interested. Write to the New York Office and a copy will be mailed to you promptly.



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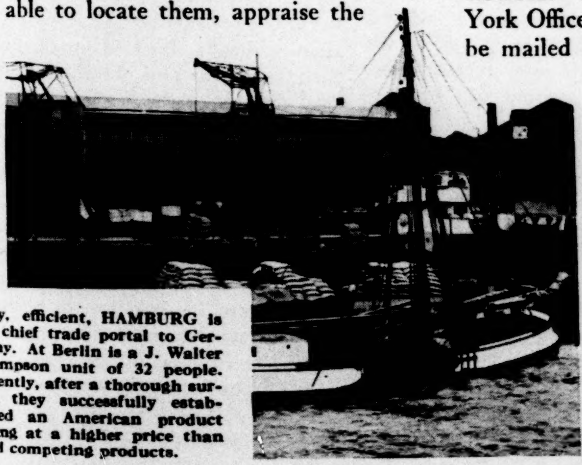

Busy, efficient, HAMBURG is the chief trade portal to Germany. At Berlin is a J. Walter Thompson unit of 32 people. Recently, after a thorough survey, they successfully established an American product selling at a higher price than local competing products.

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After Office Hours . .

MOST great names in business are written on the sands of time and washed away by the rising tide of the next generation. They may continue to shed lustre on an enterprise by being part of a company name; they may be thrust upon a later day as "founders": but business has found few satisfactory devices for impressing associates and customers with the fact that the great spirit or the great skill or the great shrewdness lingers with the great name and is still effective in the councils. The letterhead of the Los Angeles Railway comes close to doing all this by including in its list of present officers of the organization the name of H. E. Huntington with only the dates "1850-1927" and a black line beneath to indicate that the policies associated with the name are now only listened to, not spoken.

▼

NOT only are "white neon lights conspicuous by their absence," as remarked on this page some weeks ago, but so are white lights produced by gaseous luminous tubes of any kind, says one of the manufacturers who helps to make the Great White Way white. Electrified neon gas is red and no tinting of the tubes can make it white. Other gaseous luminous tubes provide a light that most of us call "white," just as we erroneously call all such tubes "neon tubes," but close scrutiny will show it to be any one of a range of near-whites running from yellow to bluish. Different types of gaseous tubes supply different colors and these colors may be modified, but not basically changed, by tinting the tube glass.

▼

MANY new companies spend much time and thought on choosing a name. Others have names thrust upon them, whether they like them or not. Witness the case of Pickwick Stages on the Pacific Coast. The company was founded by A. L. Hayes, now vice-president, when he started to operate an auto stage between San Diego and El Centro, Calif., about 1912, under the name of The Imperial Valley Auto Stage. But the San Diego terminal of the line was in front of the old Pickwick theatre, and patrons began to call it the Pickwick Stage. Soon they simply refused to call it anything else, so the company made a virtue of necessity and officially adopted the title.

▼

EDWARD A. FILENE, Boston merchant, recently sought relaxation in a story for boys in the children's section of a Boston newspaper. He discovered that the name of the hero in this syndicated story was "Filene." Curious to know why the author had chosen this rather uncommon name, Mr. Filene despatched an inquiry to him in care of the newspaper.

Eventually he received a reply from the author, who lives in California, admitting that Mr. Filene himself had inspired the use of that name in the story. Just before writing it, the author explained, he had read an item about Mr. Filene in THE BUSINESS WEEK, and the name had stuck in his mind.

▼

IN one textile mill in Roumania, Dr. Edmond Landauer, managing director of several European textile concerns, enjoys a reputation for nothing less than sorcery. It is based on a telegram he sent after reading a sheaf of production reports from the mill, advising its technical director to check the friction gear coupling on his Diesel engine for a cracked bolt. "Very simple, my dear Watson," said Dr. Landauer, in effect, to the recent International Management Congress in Paris. "Where accurate performance standards and adequate operating records are in force, a man who understands how to use them can easily diagnose the cause of a production decline as closely as this from as far away as Brussels is from Roumania." Congress delegates are still pondering his recipe for long-distance management.

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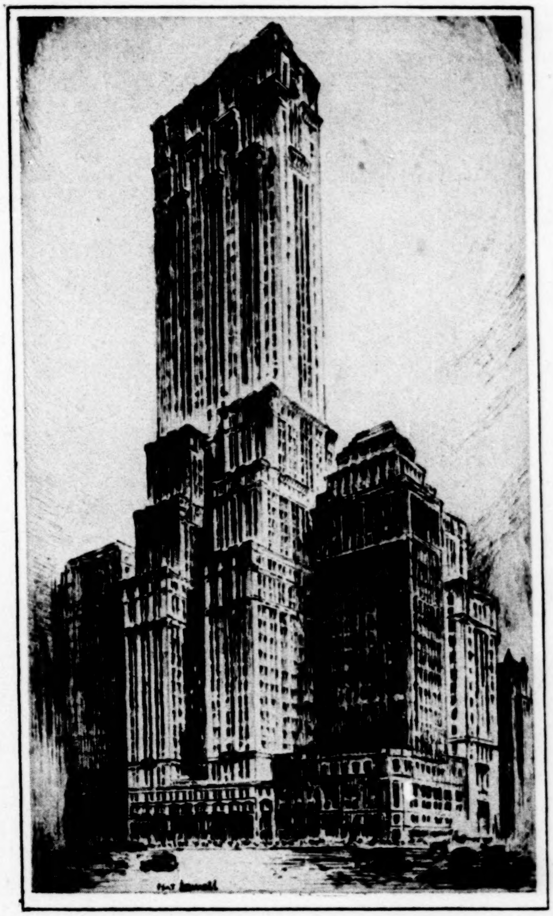

Lincoln Building

...Built in 275 days

Huge office building at 60 East 42nd Street, New York, has 53 stories, 1,000,000 square feet of space and can house 12,000 people.

THE LINCOLN BUILDING — latest addition to the great Grand Central Zone—and one of the largest buildings in uptown New York, was built by this company in 275 working days.

The historic site was occupied for years by the old Lincoln Warehouse which was demolished in 1928.

Steel erection was begun on February 2, 1929, and 17,000 tons put in place by June 10—only 87 working days!

Construction was completed in January, the first tenants moved in February 1st and the formal opening was held March 1st.

The Lincoln Building represents the latest in large building design, construction and equipment and stands as a monument to the artisans who cooperated in its construction.

Interesting facts about the Lincoln Building

53 stories
678 feet high
14,200,000 cu. ft. capacity
1,000,000 sq. ft. of space
17,000 tons of structural steel
115,000 bbls. of cement
5,000,000 brick
100,000 sq. ft. of glazing
1,456,000 ft. of wiring
635,000 ft. of conduit
17,750 electrical outlets
8,000 feet of plumbing stacks
3,900 metal windows
3,500 radiators
30 elevators serve 568 openings
1,450 terminal boxes for telephones—sufficient to serve a city of 15,000

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FOR WEEK ENDING MARCH 15, 1930

EDITORIAL

THE BUSINESS WEEK
A McGRAW-HILL PUBLICATION

The Greatest of These Is Clarity

WE sometimes wish that Washington were moved nearer the United States, so that the folks down there could get a better idea of what the average, run-of-the-mine American is thinking about. The things said on the Potomac about what is happening to these Americans often have a remote sound, like remarks from Mars, or through a hat, and they usually assume a quite touching innocence on the part of The Man in the Street.

These sentiments have been stimulated lately by the strange statements about unemployment that have been coming from the seat of government during the past two months. No one who has puzzled over them has been able to find in them a trace of consistency with anything else, with themselves, or with common sense. So baffling, obscure, contradictory have they been that no intelligent person in the country could help concluding that someone in Washington has been unable to keep his statistical shirt on.

Those who have learned from these bulletins that unemployment is diminishing and will pass a given point in so many days have doubtless shared and admired the faith and hope of their author, but his clarity and candor have not aroused so much enthusiasm.

All this has been too reminiscent of the good old days of official red herrings and cheerio to be funny any longer. American business and the public have long since come of age and are now too mature to be fed statistical taffy. The issues involved have become too important to warrant trying to spare anybody's feelings or save anybody's face. Business nowadays knows more of the facts anyway, and those it doesn't know, it wants and needs to get quickly and straight. We no longer pay our public officials to kid us along.

It may be justifiable to minimize the facts when you know thoroughly and accurately what they are; but to minimize them when you know practically nothing about them is dangerous. Everyone is aware that neither the Federal Government nor anybody else has any comprehensive, reliable information about unemployment now or in any past period. Even its information about employment is so subject to error that the Federal Reserve Board has had to correct it. The Census this year will attempt to find out how many people were unemployed on April 1, but this sample will be misleading as a test of normal conditions and of value only as a basis for subsequent periodic checks.

Our experience in this depression removes the last shred of justification for further delay in setting up a permanent system of Federal employment exchanges for regular registration of the unemployed and systematic collection of unemployment statistics. Bills now pending in Congress for this purpose should be promptly passed and ample funds provided to set up this machinery at once. It will be needed for a long while, and will be a good public investment.

Ignorance is a poor political asset. Hope and faith are excellent reserves, but clear, definite, accurate information is indispensable working capital for any nation.

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Managing Editor—MARC A. ROSE
News Editor—RALPH BEVIN SMITH
Art Director—PERRY GITHENS
Industrial Production—K. W. STILLMAN
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